

IN THE UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION

AMADA AMERICA, INC., a California corporation, )  
Plaintiff, )  
v. )  
PRECISION AMERICAN METALS, LLC., )  
An Illinois Limited Liability Corporation, and )  
JOHN M. MAZUREK and PAMELA F. )  
MAZUREK, individually, )  
Defendants. )

**MOTION TO ENTER CONFESSION OF JUDGMENT ORDER**

Plaintiff, Amada America, Inc. (“Amada”), by its attorneys, Connelly Roberts & McGivney LLC, for its Motion to Enter Confession of Judgment Order, states as follows:

1. In July of 2006, John M. Mazurek, as President of Precision American Metals, LLC (“Precision”), executed seven separate Equipment Purchase and Security Agreements on behalf of Precision (“the Agreements”), for the purpose of procuring a number of specialized machines from Amada.
2. The Agreements were individually and personally guaranteed by John M. Mazurek and Pamela F. Mazurek.
3. Defendants subsequently breached the terms of the Agreements by failing to tender payment for the purchased items.
4. On July 24, 2007, Amada filed a Complaint alleging breach of contract against Precision and the Mazureks, individually, for their failure to tender payment

under the terms of the Agreements. (A copy of Amada's Complaint is attached as Exhibit "A").

5. On December 5, 2007, Defendants and Amada entered into a Settlement and Release Agreement. (A copy of the Settlement and Release Agreement is attached hereto as Exhibit "B"). This Settlement and Release Agreement was signed by Precision and the Mazureks individually.

6. In the Settlement and Release Agreement, Amada agreed to accept the payment of \$1,469,952.96 to satisfy the debt owed by Precision and the Mazureks. Precision and the Mazureks agreed that they were jointly and severally liable for the full satisfaction of the Settlement and Release Agreement. (see ¶ 9, Ex. B).

7. Precision and the Mazureks issued a check for the January 2008 installment payment which was returned for insufficient funds, and Precision and the Mazureks failed to tender payment for the February 2008 installment. (A copy of the insufficient check is attached hereto as Exhibit "C").

8. Precision and the Mazureks breached their obligations under the Settlement and Release Agreement, and are in default of the same, by:

- a) Issuing an insufficient check for the January 2008 installment payment, and;
- b) Failing to tender payment for the February 2008 installment.

9. In paragraph 12 of the Settlement and Release Agreement, Defendants consented to the entry of a Confession of Judgment Order similar to the Order attached to the Settlement and Release Agreement as Exhibit B. (see ¶ 12, Ex. B).

10. Precision and the Mazureks are liable to Amada for the full Settlement Payment as well as attorney's fees and costs pursuant to paragraph 14 of the Settlement Agreement, which states:

“Upon an Event of Default, Defendants shall be liable to Amada for the Settlement Payment, in full, plus attorneys' fees and costs, less any amounts paid by Defendants pursuant to this Settlement Agreement. At the time of the entry of the Confession of Judgment Order, Connelly Roberts & McGivney LLC shall provide the Court with an affidavit stating the amounts previously paid by Defendants pursuant to this Agreement and the attorneys' fees incurred by Amada.”

(¶ 14, Ex. B).

11. Simultaneously with this Motion, Amada filed a Complaint alleging breach of contract based on Precision and the Mazurek's failure to tender payment as required by the terms of the Settlement Agreement. (A copy of the Complaint is attached hereto as Exhibit “D”).

12. Attached is the Affidavit of Cory D. Anderson (the “Affidavit”), an attorney with Connelly Roberts & McGivney LLC, which states the amounts paid to Amada by Defendants, Defendants' outstanding Settlement balance and the attorney's fees and costs incurred by Amada to enforce the Settlement Agreement. (Exhibit “E”).

13. Defendants owe Amada \$1,406,296.08 under the terms of the Settlement and Release Agreement. (see Ex. E). Moreover, Amada, per the terms of the Settlement and Release Agreement, is entitled to be reimbursed by Defendants for their fees and costs associated with the enforcement of the Settlement and Release Agreement, totaling \$7,150.00. (see Ex. E).

14. Amada hereby requests this Court enforce the Settlement and Release Agreement by entering the Confession of Judgment Order against Precision American Metals, LLC, John M. Mazurek and Pamela F. Mazurek, jointly and severally.

WHEREFORE, Plaintiff, Amada America, Inc., respectfully requests that this Court:

- 1) Enter the Confession of Judgment Order against Precision American Metals, LLC, John M. Mazurek and Pamela F. Mazurek, jointly and severally;
- 2) Enter judgment for Amada America, Inc. and against Precision American Metals, LLC, John M. Mazurek and Pamela F. Mazurek, jointly and severally, in the amount of \$1,413,446.08;
- 3) Or, in the alternative, for any other relief that this Court deems just.

Respectfully Submitted,

Amada America, Inc.,

By:/s/Cory D. Anderson

One of its Attorneys

Matthew P. Connelly  
Cory D. Anderson  
Connelly Roberts & McGivney LLC  
55 W. Monroe St., Suite 1700  
Chicago, Illinois 60603  
(312)251-9600

IN THE UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION

JUL 24 2007

MICHAEL W. DOBBINS  
CLERK, U.S. DISTRICT COURTAMADA AMERICA, INC., a California  
corporation,

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Plaintiff,

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v.

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PRECISION AMERICAN METALS, LLC.,  
An Illinois Limited Liability Corporation, and  
JOHN M. MAZUREK and PAMELA F.  
MAZUREK, individually,

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Defendants.

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07 C 4177

JUDGE MORAN

MAGISTRATE JUDGE KEYS

**COMPLAINT**

Plaintiff, Amada America, Inc. ("Amada"), by its Attorneys, Connelly Roberts & McGivney, for its Complaint against Defendants, Precision American Metals, LLC., an Illinois Corporation ("Precision"), John M. Mazurek, an individual, and Pamela F. Mazurek, an individual, states as follows:

**Jurisdiction**

1. Plaintiff is a corporation with its headquarters and principle place of business in the State of California. Defendant Precision is a limited liability corporation with its headquarters and principle place of business in the State of Illinois. Upon information and belief, the Defendants John and Pamela Mazurek are residents of the State of Illinois.

2. Upon information and belief, the amount in controversy, exclusive of interest and costs, is in excess of the sum specified by 28 U.S.C. §1332.



Facts

3. Plaintiff Amada is a corporation specializing in the manufacture and sale of machine tools to the fabrication industry, with its headquarters and principle place of business at 7025 Firestone Blvd. in the city of Buena Park, California.

4. Defendant Precision is an Illinois limited liability corporation, with its headquarters and principle place of business at 1050 Kingsland Dr., in the village of Batavia, Kane County, Illinois.

5. Upon information and belief, Defendants John M. Mazurek and Pamela F. Mazurek are residents of the village of St. Charles, Kane County, Illinois.

6. Sometime on or about July 20-27, 2006, Precision executed seven separate Equipment Purchase and Security Agreements ("the Agreements"), for the purpose of procuring a number of specialized machines from Amada. The Agreements were numbered and executed as follows:

- a. Agreement Number 14744, to purchase a Togu III Tool Grinder from Amada for the purchase price of \$21,600.00. (A copy of the Agreement is attached hereto as Exhibit A).
- b. Agreement Number 14546, dated July 20, 2006, to purchase a Spot Welder from Amada for the purchase price of \$32,000.00. (A copy of the Agreement is attached hereto as Exhibit B).
- c. Agreement Number 14738, to purchase an APS Software Package from Amada for the purchase price of \$89,880.00. (A copy of the Agreement is attached hereto as Exhibit C).
- d. Agreement Number 14550, to purchase a Fabrivision Inspection Machine from Amada for the purchase price of \$64,700.00. (A copy of the Agreement is attached hereto as Exhibit D).
- e. Agreement Number 14742, to purchase a Manipulator System from Amada for the purchase price of \$122,000.00. (A copy of the Agreement is attached hereto as Exhibit E).

- f. Agreement Number 14738, to purchase a Turret Punch Press, with Tooling Package and Scrap Conveyor, from Amada for the purchase price of \$307,235.00. (A copy of the Agreement is attached hereto as Exhibit F).
- g. Agreement Number 14741, to purchase a Robotic Press Brake with Tooling Package from Amada for the total purchase price of \$605,000.00. (A copy of the Agreement is attached hereto as Exhibit G).

7. Upon information and belief, these documents were executed by Precision in the village of Batavia, Illinois.

8. Precision paid down payments of twenty per cent of the purchase price under each Agreement, and agreed to pay the remaining amount of each Agreement in 60 equal monthly installments. (*See* Exhibits A-G).

9. The Agreements each provide that "any payment...not received by the ninth (9<sup>th</sup>) day following the date due will be subject to a late charge of five percent (5%) of the amount due as liquidated damages." (*See* Exhibits A-G, Section A, ¶4).

10. As a condition of the Agreements, Precision granted Amada security interest in the property purchased under each agreement, and executed UCC Financing Statements with the California Secretary of State, Uniform Commercial Code Division, certifying such. (*See* Exhibits A-G, Section B, ¶1; UCC Financing Statements, 11190731, 11190774, 11190790, 11190766, 11190758, 11190723, and 11190782, attached hereto as Group Exhibit H).

**Count I**  
**Breach of Contract Against Precision**

1-10 Plaintiff repeats and realleges paragraphs 1-8 of this Complaint as paragraphs 1-10 of this Count I, as if fully set forth herein.

11. Amada has performed all of its obligations under each and every one of the Agreements by delivering the purchased machines and other equipment to Precision.

12. Precision has legally accepted all goods delivered by Amada, as defined by §2606 of the California Commercial Code, by failing to make an effective rejection after having had a reasonable opportunity to inspect them.

13. The first installment payment for Agreement number 14744, in the amount of \$365.13, was due to Amada on October 1, 2006. (*See Exhibit "A"*)

14. Precision failed to remit this payment, or any other required payment on Agreement number 14744, and consequently late charges were assessed in the amount of \$18.26 per month, and interest compounded at a rate of 9.75% per month. (*See "Payment History"*, attached hereto as Exhibit I).

15. To date, because of its failure to remit any payment whatsoever as required by Agreement number 14744, Precision owes Amada approximately \$18,919.06. (*See Exhibit I*).

16. The first installment payment for Agreement number 14546, in the amount of \$540.93, was due to Amada on October 1, 2006. (*See Exhibit "B"*).

17. Precision failed to remit this payment, or any other required payment on Agreement number 14546, and consequently late charges were assessed in the amount of \$27.05 per month, and interest compounded at a rate of 9.75% per month. (*See Exhibit I*).

18. To date, because of its failure to remit any payment whatsoever as required by Agreement number 14546, Precision owes Amada approximately \$28,028.22. (*See Exhibit I*).

19. The first installment payment for Agreement number 14738, in the amount of \$1,519.33, was due to Amada on May 15, 2007. (*See Exhibit "C"*).

20. Precision failed to remit this payment, or any other required payment on Agreement number 14738, and consequently late charges were assessed in the amount of \$75.97 per month, and interest compounded at a rate of 9.75% per month. (*See Exhibit I*).

21. To date, because of its failure to remit any payment whatsoever as required by Agreement number 14738, Precision owes Amada approximately \$73,898.85. (*See Exhibit I*).

22. The first installment payment for Agreement number 14550, in the amount of \$1,132.57, was due to Amada on May 15, 2007. (*See Exhibit "D"*).

23. Precision failed to remit this payment, or any other required payment on Agreement number 14550, and consequently late charges were assessed in the amount of \$56.63 per month, and interest compounded at a rate of 9.75% per month. (*See Exhibit I*).

24. To date, because of its failure to remit any payment whatsoever as required by Agreement number 14550, Precision owes Amada approximately \$55,087.03. (*See Exhibit I*).

25. The first installment payment for Agreement number 14742, in the amount of \$2,045.38, was due to Amada on May 15, 2007. (*See Exhibit "E"*).

26. Precision failed to remit this payment, or any other required payment on Agreement number 14742, and consequently late charges were assessed in the amount of \$102.27 per month, and interest compounded at a rate of 9.75% per month. (*See Exhibit I*).

27. To date, because of its failure to remit any payment whatsoever as required by Agreement number 14742, Precision owes Amada approximately \$99,485.53. (*See Exhibit I*).

28. The first installment payment for Agreement number 14740, in the amount of \$6,437.38, was due to Amada on May 15, 2007. (*See Exhibit "F"*).

29. Precision failed to remit this payment, or any other required payment on Agreement number 14740, and consequently late charges were assessed in the amount of \$321.87 per month, and interest compounded at a rate of 9.75% per month. (*See Exhibit I*).

30. To date, because of its failure to remit any payment whatsoever as required by Agreement number 14740, Precision owes Amada approximately \$313,108.10. (*See Exhibit I*).

31. The first installment payment for Agreement number 14741, in the amount of \$11,291.87, was due to Amada on May 15, 2007. (*See Exhibit "G"*)

32. Precision failed to remit this payment, or any other required payment on Agreement number 14741, and consequently late charges were assessed in the amount of \$564.59 per month, and interest compounded at a rate of 9.75% per month. (*See Exhibit I*).

33. To date, because of its failure to remit any payment whatsoever as required by Agreement number 14741, Precision owes Amada approximately \$549,225.89. (*See Exhibit I*).

34. Precision's failure to pay any of the required installments of any of the Agreements, after accepting the goods delivered by Amada constitutes a breach of the Agreements.

35. Amada has demanded payment from Precision under the Agreements in the original total principle amount of \$1,104,240.00, plus interest and late charges. (See Letter to John Mazurek, President of Precision Metals, dated July 20, 2007, attached hereto as Exhibit J).

36. Despite Amada's demands, Precision has failed to make any payment whatsoever on any of the amounts due under the Agreements. (See Exhibit I).

37. The total now due to Amada is approximately \$1,137,752.68. (See Exhibit I).

38. Each of the Agreements states that "in the event any...judicial action or proceeding is initiated with respect to any matters relating to this Agreement...the party in whose favor any award shall be given...shall be entitled to recover from the other party all costs and expenses (including attorney's fees) incurred in such action." (See Exhibits A-G, Section D, ¶5).

Wherefore, Plaintiff Amada America, Inc., pursuant to Section 2709 of the California Commercial Code, prays for judgment against the Defendant, Precision American Metals, LLC, in the amount of \$1,137,752.68, and for prejudgment interest, costs and attorneys' fees.

Count II  
Breach of Personal Guaranty Against John Mazurek

1-38 Plaintiff repeats and realleges paragraphs 1-38 of Count I as paragraphs 1-36 of this Count II, as if fully set forth herein.

39. As a supplement to the Agreements, on or about July 20, 2006, Defendant John Mazurek executed a document entitled "Unconditional Continuing Guaranty" (Attached hereto as Exhibit K). That Guaranty provides, in pertinent part, that "[g]uarantors unconditionally guaranty and promise to pay to Seller, on demand, any indebtedness of Buyer to Seller not paid when due." (See Exhibit K, ¶1).

40. Amada has demanded that John Mazurek pay the amount presently due by Precision. (See Letter to John Mazurek, Guarantor, dated July 20, 2007, attached hereto as Exhibit L).

41. Despite Amada's demands, and in direct breach of the Guaranty, John Mazurek has failed to make any payment whatsoever on any of the amounts due under the Agreements. (See Exhibit I).

42. The Unconditional Continuing Guaranty states, in part, "[g]uarantors agree to pay reasonable attorneys' fees and all other costs and expenses which may be incurred by [Amada] in the enforcement of this...Guaranty". (See Exhibit K, ¶6).

Wherefore, Plaintiff Amada America, Inc. prays for judgment against the Defendant, John M. Mazurek, in the amount of \$1,137,752.68, and for prejudgment interest, costs and attorneys' fees.

**Count III**  
**Breach of Personal Guaranty Against Pamela Mazurek**

1-42 Plaintiff repeats and realleges paragraphs 1-42 of Counts I & II as paragraphs 1-42 of this Count III, as if fully set forth herein.

43. As a supplement to the Agreements, on or about July 20, 2006, Defendant Pamela Mazurek executed a document entitled "Unconditional Continuing Guaranty" (Attached hereto as Exhibit K). That Guaranty provides, in pertinent part, that

"[g]uarantors unconditionally guaranty and promise to pay to Seller, on demand, any indebtedness of Buyer to Seller not paid when due." (See Exhibit K, ¶1).

44. Amada has demanded that Pamela Mazurek pay the amount presently due by Precision. (See Letter to Pamela Mazurek, Guarantor, dated July 20, 2007, attached hereto as Exhibit M).

45. Despite Amada's demands, and in direct breach of the Guaranty, Pamela Mazurek has failed to make any payment whatsoever on any of the amounts due under the Agreements. (See Exhibit I).

46. The Unconditional Continuing Guaranty states, in part, "[g]uarantors agree to pay reasonable attorneys' fees and all other costs and expenses which may be incurred by [Amada] in the enforcement of this...Guaranty". (See Exhibit K, ¶6).

Wherefore, Plaintiff Amada America, Inc. prays for judgment against the Defendant, Pamela F. Mazurek, in the amount of \$1,137,752.68, and for prejudgment interest, costs and attorneys' fees.

**Count IV**  
**Accounting**

1-46 Plaintiff repeats and realleges paragraphs 1-46 of Counts I-III as paragraphs 1-46 of this Count IV as if fully set forth herein.

47. Each of the Agreements executed by the Defendants states that "for so long as any amounts are owed by Buyer to Seller under this Agreement, Buyer... (h) shall promptly furnish to Seller upon request current financial statements of Buyer." (See Exhibits A-G, Section B, ¶3).

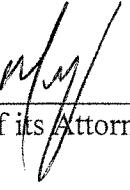
48. Amada has demanded current financial statements from Precision, but Precision has failed and refused to honor that demand, in violation of the Agreements.

WHEREFORE, Plaintiff, Amada America, Inc., respectfully prays for the entry of an Order requiring Precision to account to Amada and provide current financial statements from October 1, 2006 to the date of its accounting, and requiring Precision to continue such accounting on a monthly basis after its initial accounting.

Respectfully Submitted,

Amada America, Inc.,

By: \_\_\_\_\_

  
One of its Attorneys

Matthew P. Connolly  
Cory D. Anderson  
CONNELLY ROBERTS & McGIVNEY, L.L.C  
55 W. Monroe St., Suite 1700  
Chicago, Illinois 60602  
312.251.9600

## AMADA AMERICA, INC.

7025 Firestone Blvd., Buena Park, CA 90621

FILED NUMBER 12901-CB0

## EQUIPMENT PURCHASE AND SECURITY AGREEMENT

Buyer (described in Item 1.A. below) agrees to purchase from AMADA AMERICA, INC. ("Seller") and Seller agrees to sell to Buyer for business only the equipment and other personal property described in Item 3, below ("Property"), on the terms and conditions set forth in this Agreement, including without limitation the terms and conditions set forth on the reverse hereof.

## TYPE OR PRINT ONLY

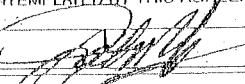
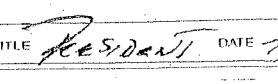
A. DESCRIPTION OF BUYER		BUYER'S TRADE NAME OR STYLE					
BUYER'S FULL NAME PRECISION AMERICAN METALS, LLC							
<input type="checkbox"/> CORPORATION <input checked="" type="checkbox"/> LIMITED LIABILITY CO. <input type="checkbox"/> PARTNERSHIP <input type="checkbox"/> PROPRIETORSHIP <input type="checkbox"/> OTHER		ORGANIZED UNDER THE LAWS OF THE STATE OF:		IL		AMADA CUSTOMER 29897	
STREET ADDRESS OF BUYER'S CHIEF EXECUTIVE OFFICE 1050 KINGSLAND DR.		P.O. BOX	CITY BATAVIA	COUNTY	STATE IL	ZIP CODE 60510	TELEPHONE ( 630 ) 406-77
B. INSTALLATION SITE COMPANY NAME SAME AS "A"		BRANCH / DIVISION					
STREET ADDRESS		CITY	COUNTY	STATE	ZIP CODE	TELEPHONE ( )	
REQUEST DELIVERY DATE		SHIPPING INSTRUCTIONS FOB SHIPPING POINT		AMADA CUSTOMER NUMBER		CONTACT	
C. BILLING INFORMATION		P.O. BOX	CITY	COUNTY	STATE	ZIP CODE	TELEPHONE
BILLING ADDRESS 11005 PINBRIDGE DR.			ALPHARETTA	GA	30022	( 678 ) 642-71	
BILLING INSTRUCTIONS		AMADA CUSTOMER NUMBER 29897-1		CONTACT		DICK CLARK	
D. FOR SELLER'S REFERENCE ONLY		CUSTOMER P.O. NO.				PO. DATE	
REGION NO	DIVISION NO.	SALESMAN NO.	SALESMAN NAME JOHN WOODRUFF	CUSTOMER P.O. NO. PAM6300601		06/	
ITEM / AGREEMENT TERMS		9					
A. <input type="checkbox"/> NET 30 DAYS <input type="checkbox"/> C.O.D. <input checked="" type="checkbox"/> MONTHLY INSTALLMENTS (TOTAL NO. OF PAYMENTS 60)		) <input type="checkbox"/> OTHER					
B. AMOUNT OF EACH MONTHLY INSTALLMENT \$365.13		C. DUE DATE OF FIRST INSTALLMENT (TO BE COMPLETED BY SELLER)		D. TAX EXEMPT PURCHASE <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO		E. INSERT CERTIFICATE NO. HERE (SEE SECTION A.2 ON REVERSE)	
F. AGREED UPON AN INSTALLMENT SALE, BUYER SHALL MAKE EACH INSTALLMENT PAYMENT TO AMADA CAPITAL CORPORATION, Dept. LA22996, Los Angeles, California 91105-2006		ITEM / PURCHASE PRICE					
A. MACHINE MODEL NO. TOGUIII		B. SERIAL NO.	C. <input checked="" type="checkbox"/> NEW <input type="checkbox"/> DEMO <input type="checkbox"/> USED	D. MACHINE DESCRIPTION: ONE (1) AMADA TOOL GRINDER			
E. TOOLING, ATTACHMENTS, OPTIONS AND OTHER ADDITIONS (INCLUDING SPECIFICATIONS)		QTY.	CASH PRICE				
F. DESCRIBE TRADE-IN		H. VALUE OF TRADE-IN					
		<input type="checkbox"/> LESS LIENS <input type="checkbox"/> ALC    <    >					
G. CALCULATE CREDIT FOR TRADE-IN ABOVE AND INSERT IN ITEM 4I.		J. CREDIT FOR TRADE-IN (H-I)					
BUYER'S INSURANCE COMPANY FRANKLIN MINT MUTUAL		POLICY NO. 974874					
BUYER'S INSURANCE AGENCY WEISS JNS.		NAME OF AGENT JIM PARLLE					
INSURANCE AGENCY'S ADDRESS 31 W 62nd AVEY TRAIL		P.O. BOX					
CITY Wayne		STATE IL	ZIP CODE 60084	TELEPHONE ( 630 ) 584-1717			

NOTE: Section B.4 on the reverse hereof sets forth certain requirements for insurance which must be provided by Buyer. Please review these requirements carefully with your insurance provider.

Buyer agrees to the terms and conditions set forth herein and on the reverse side of this Agreement. BY ITS EXECUTION BE ACKNOWLEDGES THAT BUYER HAS READ AND UNDERSTANDS THE TERMS AND CONDITIONS ON THE REVERSE SIDE OF THIS AGREEMENT, INCLUDING WITHOUT LIMITATION THE WARRANTY DISCLAIMERS AND LIMITATION OF LIABILITY SET FORTH IN SECTION A.10, AN INCLUSION PROVISIONS SET FORTH IN SECTIONS D.4, RESPECTIVELY, AND UNDERSTANDS THAT THE AGREEMENT CREATES SELLER A SECURITY INTEREST IN THE PROPERTY.

If Buyer has elected to purchase the Property on an installment payment basis, Buyer acknowledges that Seller has offered both a cash purchase price and an installment payment price to Buyer and that Buyer has made its election based on a comparison of these prices. Buyer authorizes Seller to blank, including without limitation the date of first payment in Item 2.C, and correct any typographical or other error on the facing page of this Agreement by Buyer.

This Agreement shall not be binding upon Seller until executed by a duly authorized officer or manager of Seller in Buena Park, California. NO RELEASE OR WARRANTY RELATING TO THE TRANSACTION CONTEMPLATED BY THIS AGREEMENT IS BINDING ON OR ENFORCEABLE AGAINST SELLER IN THIS AGREEMENT.

BUYER IDENTIFIED IN ITEM 1.A. ABOVE  
BY   
TITLE  DATE 

#### A. Terms and Conditions of Sale

1. **Price and Price Adjustments.** The cash purchase price of the Property is FOB point of shipment from within the United States as designated by Seller, and is due for thirty (30) days after the date of execution of this Agreement by Seller. After such period Seller may, in its discretion, adjust the purchase price of any unshipped Property to reflect cost increases and changes in market conditions. Seller will give Buyer written notice of any such price adjustments. Unless within seven (7) days after receiving such notice Buyer will give Seller written notice of any objections to any such price adjustment. Seller will be deemed to have waived all such objections.

2. **Buyer.** The cash purchase price of the Property is exclusive of any and all excise, sales, use or other taxes levied by any federal, state, county, municipal or other governmental authorities, all of which are for the account of Buyer. Seller is authorized to make payment of any such taxes directly to the taxing authority, and Buyer will reimburse Seller therefor. Such reimbursement will be made on demand unless otherwise expressly agreed in writing. If Buyer claims an exemption from such taxes, Buyer must provide evidence of such exemption acceptable to Seller.

3. **Freight Charges.** Freight charges for shipment of the Property to Buyer, including taxes on freight charges, if any, are for the account of Buyer and will be billed freight collect. Freight charges for fueling and accessories will be separately invoiced to Buyer and are payable net 30 days from the date of invoice unless otherwise agreed in writing.

4. **Late Charges.** Any payment of Buyer not received by the ninth (9th) day following the date due will be subject to a late charge of five percent (5%) of the amount due as liquidated damages.

5. **Shipping Instructions.** Seller will arrange for shipment and routing of the Property in accordance with the instructions of Buyer (if any) set forth on facing page hereof; provided however, if such instructions are unclear, incomplete or impractical of implementation, or if no shipping instructions are set forth on the facing page hereof, Seller may, and is hereby authorized by Buyer to arrange for shipment and routing of the Property as Seller deems appropriate. In no event will Seller be liable for any failure of the carrier to follow shipping instructions of either Buyer or Seller. Charges will be billed freight collect.

6. **Shipment.** Seller may ship the Property in partial shipments. Seller will use reasonable commercial efforts to deliver the Property by the requested delivery date, set forth on the facing page hereof, but will have no liability to Buyer for late shipments.

7. **Title, Risk of Loss, and Insurance.** Title to and all risk of loss of or damage to the Property will pass to Buyer at the shipping point. Under no circumstances expressly agreed in writing, the cost of insurance on the Property while in transit will be borne by Buyer.

8. **Shipping.** All costs of unloading the Property from the carrier upon arrival at the shipping destination and moving the Property to the installation site are for the account of Buyer. Seller has no liability for the Buyer and Buyer assumes all risk of damage to or loss of the Property occurring in connection with such unloading and moving.

9. **Installation.** Buyer will, at its expense, take all necessary steps to prepare the installation site for the installation of the Property. The cost of installation is included in the purchase price of the Property. Installation includes set up, plant up and initial adjustment of operating performance. Seller has no responsibility or liability for any failure of any of the Property to meet any applicable codes or standards established by any private organization or any federal, state, county, municipal or other governmental authority; provided, however, that in the event of any such failure to meet such codes or standards, Seller or its delegate will, at the request of Buyer, make such modifications to any of the Property as may be necessary to bring such Property into compliance with any such codes or standards, unless Seller determines that the cost to Seller of making any such modifications is expected to exceed ten percent (10%) of the purchase price of the Property or that the time required to effect such compliance (including the completion of any necessary inspections and the obtaining of any necessary permits or approvals) is expected to exceed ninety (90) days, in which case Seller may upon refunding to Buyer payment received in respect of the canceled portion of this Agreement (less freight and any shipping, insurance, other costs and expenses of this Agreement which will be borne by Buyer), and provided further that if Buyer so requests, Seller may, but shall not be obligated to, proceed with such modifications at the sole expense of Buyer, payment for which shall be made by Buyer in advance of Seller's performance.

10. **Warranty and Limitation of Liability.** EXCEPT AS MAY OTHERWISE BE SET FORTH IN A WRITTEN FIRM AGREEMENT OF THE PROPERTY, EXCLUDED BY SELLER, SELLER MAKES NO WARRANTY, EXPRESS OR IMPLIED, OF ANY KIND, AND HEREBY EXPRESSLY DISCLAIMS ALL SUCH WARRANTIES, INCLUDING WITHOUT LIMITATION ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE OR PURPOSE. IN NO EVENT SHALL SELLER BE LIABLE FOR ANY INCIDENTAL, SPECIAL, GENERAL, DIRECT OR CONSEQUENTIAL DAMAGES (INCLUDING WITHOUT LIMITATION LOST PROFITS), AND IN NO EVENT SHALL SELLER'S LIABILITY EXCEED THE STATED PURCHASE PRICE OF THE PROPERTY.

11. **Trade-Ins.** Buyer represents and warrants to Seller that Buyer has good and marketable title to any and all trade-in in its possession, facing page hereof, and that such trade-in is in good operating condition and will be transferred to Seller free and clear of all claims, liens, charges, subleases or encumbrances of any third party. In the event that subsequent to such transfer any third party, including without limitation Armoda Capital Corporation ("ACC"), asserts a lien on or other interest in such trade-in, Buyer hereby grants to Seller a license to store any such trade-in on Buyer's premises until such trade-in may be conveniently moved or resold, and Buyer will indemnify and hold Seller harmless from any loss or damage to such trade-in and any claims against Seller arising out of such storage or any unauthorized operation of such trade-in.

12. **Force Majeure.** In the event that Seller or any of its suppliers or delegates is unable to carry out Seller's obligations hereunder due to acts of God or of the public enemy, war, insurrection, riots, strikes, lockouts, labor disputes, fires, floods, earthquakes, natural disasters, unavoidable casualty, freight embargoes, shortages of labor or material, changes in governmental policy, laws or regulations (including but not limited to money exchange or transfer restrictions, imposition of quotas or limitations of shipments), or any other cause or causes beyond the control of Seller or its suppliers or delegates; whether or not specifically described above, Seller may extend the time of performance of its obligations to such extent as may be necessary to enable Seller and its suppliers and delegates to complete performance of its obligations. Seller will not be liable for any delay or cause of delay that may be incurred in the event any such delay continues for a period of more than six (6) months, either party may terminate its obligations hereunder by so notifying the other party in writing.

13. **Termination.** Upon the occurrence of an Event of Default (as defined in Section B.6), Seller will, in addition to the other rights set forth in this Agreement, have the right to immediately terminate this Agreement as to any un-shipped Property with or without notice of termination.

14. **Indemnification.** Buyer will defend, indemnify and hold Seller harmless from and against any and all claims, liabilities, damages, costs and expenses (including reasonable attorney's fees) arising out of or in connection with any use of the Property by Buyer or any breach of this Agreement by Buyer.

15. **Condition Precedent to Seller's Obligations.** On all installations written approval of ACC for such other financing company as may be involved to the terms of this Agreement is a condition precedent to the performance of Seller's obligations under this Agreement, and any of the Property delivered to Buyer prior to the obtaining of such written approval will be deemed to be held by Buyer as a bailee for its own benefit under a bailment revocable at will by Seller.

16. **Financing.** Buyer has sole responsibility for obtaining any necessary financing for the purchase of the Property. Any efforts of Seller to arrange any such financing are solely an accommodation to Buyer and do not obligate Seller to do any way.

**B. Security Interest**

1. **Grant of Security Interest.** In equity payment of the purchase price of the Property, Buyer hereby grants to Seller security interest in the Property, and in all interests, theorems and replacements of such interest, as well as all proceeds (including insurance proceeds) of the foregoing. The security interest granted hereby constitutes a purchase money security interest under the California Uniform Commercial Codes. In addition, the security interest granted hereby shall secure the full and faithful performance by Buyer and all of Buyer's obligations under this Agreement. Notwithstanding the foregoing, the provisions of this Part B do not apply with respect to COD sales of Property for which payment is actually received by Seller from Buyer prior to or at the time of delivery of the Property to Buyer's facility.

2. **Information Regarding Buyer.** Buyer represents and warrants to Seller that all of the information regarding Buyer set forth on the facing page of this Agreement is true and correct.

3. **Certain Covenants of Buyer.** For so long as any interests are owed by Buyer to Seller under this Agreement, Buyer shall use the Property in compliance with all applicable laws, regulations and ordinances; (a) shall maintain the Property in good condition and repair, reasonable wear and tear excepted; (c) shall pay when due all taxes, charges and impositions on the Property or the ownership, use, disposition or sale of same; (d) shall keep the Property free of liens, charges, claims, security interests and encumbrances of any third party; (e) shall permit Seller to inspect the Property, and inspect the Property at Seller's expense, during normal business hours; (f) shall promptly notify Seller of the occurrence of any events which materially and adversely affect the value of the Property, as collateral; (g) shall promptly notify Seller in writing of any change of Buyer's legal name or any trademark or style, the form in which Buyer conducts its business, and the organizational or financial structure of Buyer; (h) shall promptly furnish to Seller upon request current financial statements of Buyer; and (i) shall not, without prior written consent of Seller, sell, assign, lease, or otherwise dispose of the Property or any interest therein, except that Buyer may lease the Property to Buyer's rights therein or use or lease the Property to others, other than those that are in the manufacturing or in violation of any insurance policy covering the Property, or remove or obliterate any markings affixed by Seller to the Property or give notice of Seller's security interest therein or any identifying number, serial number; or lettering on the Property, or permit the Property to become so altered as to render it no longer a fixture.

4. **Insurance.** Buyer shall keep the Property insured against all risk of loss or damage from every cause whatsoever for which insurance is commercially available, in a coverage amount not less than the total cash purchase price of the Property, under policies providing that losses shall be payable to Seller and resulting in losses to give Seller not less than thirty (30) days prior written notice of the effective date of cancellation or non-renewal of such policies. Such insurance shall be in full force and effect, be in form and substance and with companies satisfactory to Seller. Buyer shall deliver such insurance policies to Seller, or shall furnish to Seller such other evidence of insurance as Seller may from time to time request. The proceeds of such insurance shall be applied, at the option of Seller, to replacement, restoration or repair of any Property which is lost, stolen, damaged or to payment of the obligations of Buyer hereunder. Buyer hereby irrevocably appoints Seller as attorney-in-fact, which appointment is coupled with an interest, to make claims for, sue and execute and endorse all documents, checks, or drafts received in payment of money under any such policy of insurance. If Buyer fails to procure or maintain such insurance, Seller has the right, but shall not be obligated, to obtain and maintain such insurance, reimbursement to Seller for the cost thereof.

5. **Covenants Regarding Location of Property.** Buyer will not remove any of the Property located at which installed or otherwise change the location of any of the Property's without Seller's written consent of such instance. EACH SIGNATORY HERETO WILL BE LIABLE TO SELLER FOR ANY AND ALL LOSS OR DAMAGE SUSTAINED BY SELLER AS A RESULT OF ANY CHANGE IN LOCATION OF THE PROPERTY WITHOUT THE PRIOR WRITTEN CONSENT OF SELLER, SPECIFICALLY INCLUDING, WITHOUT LIMITATION, ANY DAMAGE TO PROPERTY OR LOSS OF PERFECTION OF SELLER'S ON ACC'S SECURITY INTEREST IN THE PROPERTY.

6. **Default.** The occurrence of any of the following shall constitute an Event of Default by Buyer in the payment, when due or payable, of the purchase price of the Property or thereof or interest thereon; (b) any breach of Buyer of any representation, warranty, agreement other than as to payment set forth in this Agreement or any other agreement between Seller and Seller as arising by operation of law or otherwise, with respect to the Property; (c) any failure by Seller to pay when due any amounts due to Seller by Buyer; (d) the assignment, or entry, by Buyer, in whole or in part, of the title or right to the Property or any interest in the Property or in any part of the Property; (e) the appointment of a receiver, trustee, liquidator, manager, the offering of a conversion or extension to creditors or an assignment for the benefit of creditors or the commencement of any proceeding, reorganization, dissolution or liquidation under any bankruptcy or other laws relating to debtors, to the extent that any of the foregoing is by, for, on behalf of or with respect to Buyer; (f) the suspension, termination, discharge or unenforceability as executed in favor of Seller with respect to any of the obligations secured hereby; (g) the condition or affairs (financial or otherwise) of Buyer which in the good faith determine Seller's security or increase its risk.

7. **Remedies on Default.** Upon the occurrence of an Event of Default, or at any time an Event of Default shall be continuing, in addition to any other rights or remedies available to Seller, Seller shall have any or all of the following rights and remedies: (a) Seller shall have all or remedies of a secured party under the Uniform Commercial Code as in effect in all states in which enforcement hereof is sought; (b) Seller may, at its option, accelerate and demand payment of all amounts due or to become due under this Agreement; (c) Seller shall have an immediate and exclusive possession of any and all of the Property, whether or not there is any interference from Buyer and for this purpose Seller may, without notice or process, enter upon the Property and take possession of the same, where such Property may be removed from such location or disposed of or proceed to liquidate or otherwise dispose of the Property from such location; (d) Seller may require Buyer, at Buyer's expense, to repair and make it available to Seller at any mutually convenient location, owned by Seller; (e) Seller may, in its sole discretion, any and hold time to Buyer, but only given Buyer at least ten (10) days prior written notice of its intent to dispose of the Property, it being agreed to be reasonable notice, lessors and lessees of the property, such holder or as Seller may consider appropriate or sell, transfer, assign, dispose of and/or sell the Property in whole or in part, or for one or more parcels, at the same or different times, and at right, time and suitable private sale, for cash upon credit or for future delivery, and at such price as Seller may determine; (f) in connection with any disposition for or purchase of Property, and by such purchase acquire all right, title and interest therein; (g) Seller is entitled to and on behalf of Buyer, make and deliver to any purchaser of any of the Property sufficient bill of sale or other evidence of transfer of all right, title and interest in and to such purchase; and (h) Seller may in its own name in the name of and on behalf of and such actions required to cure any such Event of Default, and all sums expended by such cure shall be secured hereby.

8. **Application of Proceeds.** The net proceeds realized upon any liquidation or disposition of the Property, after deduction for the expense of retaining, holding, preparing for sale, leasing and the like, and the reasonable attorney's fees and legal expenses and a reasonable amount of Seller's time in enforcing or exercising any of its rights or remedies under this Agreement, shall be satisfaction of the obligations of Buyer secured under this Agreement in such order as appropriate by Seller. Any surplus of such proceeds shall be paid to the person or entitled thereto, and the Buyer shall be liable to Seller for and shall immediately pay all amounts of any deficiency.

9. **Buyer's Waiver.** Except as to the notice of intention to dispose of Property given to Seller, no exercise of any of its rights and remedies without demand, advertisement or as may be required by law. To the fullest extent permitted by law, Buyer waives notice, notice of acceptance of this Agreement or other action taken in reliance hereon and notices of any description.

10. **Financing Statements, Fixture Filings and Further Assurances.** Buyer hereby agrees to execute and file financing statements authenticated records, and fixture filings at any time to any of the Property, in each case without Buyer's signature to the extent permitted by Seller's request. Buyer shall execute one or more financing statements or fixture filings or other filings pursuant to the Uniform Commercial Code in form and manner that Buyer shall take any and all steps required by Seller to maintain perfection of the granted hereunder, or to fully assure to Seller its rights under this Agreement.

**C. Assignment**

1. **Assignment to Armoda Capital Corporation.** Unless otherwise agreed by the parties, Seller may at any time assign this Agreement and its rights hereunder, in whole or in part, to Buyer hereby waives any right to assert against ACC any claims, defenses or offsets against Seller, and Buyer hereby expressly agrees not to assert any such claims or offsets against ACC.

2. **Assignment by Buyer.** Buyer may not assign, delegate or transfer any of its rights under this Agreement to any third party without the prior written consent of Seller.

**D. Miscellaneous**

1. The order of application of Buyer payment is at the discretion of Seller. Seller may apply and all of a Buyer's payment to any outstanding balances owing by Seller to Buyer or to any other account of Seller.

2. **Notices.** All notices, demands or consents required or permitted to be given and shall be in writing and shall be deemed effective upon delivery if delivered personal after mailing it sent by first class United States mail, postage prepaid, addressed to the address set forth herein or to such other address as shall be given by either party to the other.

3. **Waiver, Amendment or Modification.** No waiver, amendment or modification hereof or of any right or remedy hereunder shall be effective unless in writing and signed by the party to be bound. No failure by Seller to exercise, and no delay in Seller's exercise, of any right or remedy granted hereunder shall operate as a waiver of any such right, power or term. Any right or remedy by Seller on any one occasion shall not be construed as a bar to any right or remedy on any future occasion. All rights and remedies of Seller are separate and the exercise of any right or remedy shall not limit or preclude the exercise of another.

4. **Court Jurisdiction.** Any controversy, claim, action or dispute arising out of or relating to this Agreement will be subject to the laws of the State of California and the parties hereto agree that the disputes will be adjudicated in the jurisdiction of California.

5. **Attorneys' Fees.** In the event any arbitration or judicial action or proceeding is initiated by any party relating to this Agreement or in the event either party seeks relief from 11 U.S.C. Section 362 (or any successor statute thereto), then the party in whose favor a award shall be given or any relief shall be granted, judgment shall be entered in its favor from the other party all costs and expenses (including attorneys' fees incurred in proceeding and any appeal therefrom).

6. **Separability.** In the event any provision or portion of any provision of this Agreement is held to be unconstitutional or invalid, the remaining provisions of this Agreement shall remain in full force and effect.

7. **Entire Agreement.** Notwithstanding any purchase order submitted by Buyer on the facing page hereof or attached hereto, this Agreement constitutes the between Buyer and Seller pertaining to the subject matter hereof. Any and all agreements or understandings heretofore existing between the parties pertaining to the same are expressly superseded and canceled by this Agreement.

8. **Title is of the Essence.** Except as to the provisions of this Agreement relating to shipping delays, title is of the essence with respect to each of the terms, conditions and covenants of this Agreement.

9. **Binding Effect.** Subject to Part C of this Agreement, this Agreement shall be binding upon the parties and their legal representatives, successors and assigns.

10. **Headings.** Headings contained in this Agreement are for purposes of convenience and not part of this Agreement.

## EQUIPMENT PURCHASE AND SECURITY AGREEMENT

Buyer (described in Item 1.A. below) agrees to purchase from AMADA AMERICA, INC. ("Seller") and Seller agrees to sell to Buyer for business only the equipment and other personal property described in Item 3, below ("Property"), on the terms and conditions set forth in this A including without limitation the terms and conditions set forth on the reverse hereof.

TYPE OR PRINT ONLY

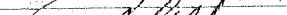
A. DESCRIPTION OF BUYER				BUYER'S FULL NAME: PRECISION AMERICAN METALS, LLC				BUYER'S TRADE NAME OR STYLE					
<input type="checkbox"/> CORPORATION		<input checked="" type="checkbox"/> LIMITED LIABILITY CO.		<input type="checkbox"/> PARTNERSHIP		<input type="checkbox"/> PROPRIETORSHIP		<input type="checkbox"/> OTHER		ORGANIZED UNDER THE LAWS OF THE STATE OF: IL		AMADA CUSTOMER 29897	
STREET ADDRESS OF BUYER'S CHIEF EXECUTIVE OFFICE 1050 KINGSLAND DR.				P.O. BOX		CITY BATAVIA		COUNTY IL		STATE ZIP CODE 60510		TELEPHONE ( 630 ) 406-77	
B. INSTALLATION SITE				BRANCH / DIVISION									
COMPANY NAME SAME AS "A"													
C. STREET ADDRESS				CITY		COUNTY		STATE		ZIP CODE		TELEPHONE	
REQUEST DELIVERY DATE		SHIPPING INSTRUCTIONS FOB SHIPPING POINT		AMADA CUSTOMER NUMBER		CONTACT						JOHN MAZUREK	
D. BILLING INFORMATION				P.O. BOX		CITY ALPHARETTA		COUNTY GA		STATE ZIP CODE 30022		TELEPHONE ( 678 ) 642-74	
BILLING ADDRESS 11005 PINEHIGH DR.				AMADA CUSTOMER NUMBER		CONTACT						DICK CLARK	
BILLING INSTRUCTIONS				29897-1									
E. FOR SELLER'S REFERENCE ONLY													
REGION NO.	DIVISION NO.	SALESMAN NO.	SALESMAN NAME	CUSTOMER P.O. NO.				PO. DATE					
72	004	922	JOHN WOODRUFF	PAM6300601				06/					
F. PAYMENT TERMS				60				9					
A. <input type="checkbox"/> NET 30 DAYS <input type="checkbox"/> C.O.D. <input checked="" type="checkbox"/> MONTHLY INSTALLMENTS (TOTAL NO. OF PAYMENTS													
B. AMOUNT OF EACH MONTHLY INSTALLMENT \$540.93				C. DUE DATE OF FIRST INSTALLMENT (TO BE COMPLETED BY SELLER) 10-1-06				D. TAX EXEMPT PURCHASE <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO				E. INSERT CERTIFICATE NO. HERE (SEE SECTION A.2 ON REVERSE)	
This Agreement shall be governed by the laws of the state of Illinois. Any action arising out of or relating to this Agreement shall be brought in the state or federal courts located in the City of Alpharetta, Georgia. The parties hereto consent to the personal jurisdiction of the state and federal courts located in the City of Alpharetta, Georgia.													
G. ITEM DESCRIPTION OF PROPERTY				D. MACHINE DESCRIPTION: ONE (1) AMADA SPOT WELDER				A. CASH PURCHASE PRICE FORM \$32,00					
A. MACHINE MODEL NO. ID40ST	B. SERIAL NO.	C. <input checked="" type="checkbox"/> NEW <input type="checkbox"/> DEMO <input type="checkbox"/> USED									B. CASH PURCHASE PRICE FOR TOOLING/		
E. TOOLING, ATTACHMENTS, OPTIONS AND OTHER ADDITIONS (INCLUDING SPECIFICATIONS)				QTY.	CASH PRICE						C.		
											D. TOTAL CASH PURCHASE PRICE \$32,00		
											E. SALES TAX (RATE + %)		
											F.		
											G.		
											H. SUBTOTAL (D + E + F + G) \$32,00		
I. DESCRIBE TRADE-IN				I. VALUE OF TRADE-IN				I. LESS CREDIT FOR TRADE-IN FF <				I. LESS CREDIT FOR TRADE-IN FF <	
								>				J. LESS CASH DOWN PAYMENT \$6,40	
G. CALCULATE CREDIT FOR TRADE-IN ABOVE AND INSERT IN ITEM I.				J. CREDIT FOR TRADE-IN (I - J)								K. SUBTOTAL (H. - I. - J) (CASH B/) \$25,60	
BUYER'S INSURANCE COMPANY PRECISION AMERICAN METALS, LLC				NAME OF AGENT S. P. BELL				L. TIME PRICE DIFFERENTIAL (M. B/) \$6,40					
BUYER'S INSURANCE AGENCY W.E.I.S.S. L.N.S.				P.O. BOX 3114680 HENRY DRIVE RD								M. TIME BALANCE (K. + L) \$32,40	
INSURANCE AGENCY'S ADDRESS 3114680 HENRY DRIVE RD				STATE IL	ZIP CODE 60510	TELEPHONE 584-1717							

**NOTE:** Section B.4 on the reverse hereof sets forth certain requirements for insurance which must be provided. Please review those requirements carefully with your insurance provider.

Buyer agrees to the terms and conditions set forth herein and on the reverse side of this Agreement. BY ITS EXECUTION BUYER ACKNOWLEDGES THAT BUYER HAS READ AND UNDERSTANDS THE TERMS AND CONDITIONS ON THE REVERSE SIDE OF THIS AGREEMENT, INCLUDING WITHOUT LIMITATION THE WARRANTY DISCLAIMERS AND LIMITATION OF LIABILITY SET FORTH IN SECTION A.10, AND THE JURISDICTION PROVISIONS SET FORTH IN SECTIONS D.4, RESPECTIVELY, AND UNDERSTANDS THAT THE AGREEMENT CREATES A SECURITY INTEREST IN THE PROPERTY.

If Buyer has elected to purchase the Property on an installment payment basis, Buyer acknowledges that Seller has offered both a cash purchase installment payment purchase price to Buyer and that Buyer has made its election based on a comparison of these prices. Buyer authorizes Seller to include, without limitation, the date of first payment in Item 2.C, and correct any typographical or other error on the facing page of this Agreement by Buyer.

This Agreement shall not be binding upon Seller until executed by a duly authorized officer or manager of Seller in Buena Park, California. NO REPO  
OR WARRANTY RELATING TO THE TRANSACTION CONTEMPLATED BY THIS AGREEMENT IS BINDING ON OR ENFORCEABLE AGAINST SEL  
LER EXCEPT AS SET FORTH IN THIS AGREEMENT.

SELLER (PRINTED OR AGED)  BUYER (PRINTED OR AGED)  BY  TITLE *President* DATE *7/1*  
AMADA AMERICAN FOUNDRY CO. BY  TITLE  DATE

## A. Terms and Conditions of Sale

1. **Price and Price Adjustments.** The cash purchase price of the Property is FOB point of shipment from within the United States as designated by Seller, and is firm for thirty (30) days after the date of execution of this Agreement by Seller. After such period Seller may, in its discretion, adjust the purchase price of any unshipped Property to reflect cost increases and changes in market conditions. Seller will give Buyer written notice of any such price adjustments. Unless within seven (7) days after receiving such notice Buyer gives Seller written notice of any objections to any such price adjustment, Buyer will be deemed to have waived all such objections.

2. **Price.** The cash purchase price of the Property is exclusive of any and all excise, sales, use or other taxes levied by any federal, state, local, principal or other governmental authorities, all of which are for the account of Buyer. Seller is not liable for any amount of such taxes directly to the taxing authority, and Buyer will reimburse Seller. Such reimbursement will be made on demand unless otherwise expressly agreed in writing. If Buyer claims an exemption from such taxes, Buyer must provide evidence of such exemption acceptable to Seller.

3. **Freight Charges.** Freight charges for shipment of the Property to Buyer, including taxes on freight charges, if any, are the account of Buyer, and will be billed freight collect. Freight charges for loading and accessories will be separately invoiced to Buyer and are payable net 30 days from the date of invoice unless otherwise agreed in writing.

4. **Late Charges.** Any payment of Buyer not received by the ninth (9th) day following the date due will be subject to a late charge of five percent (5%) of the amount due as liquidated damages.

5. **Shipping Instructions.** Seller will arrange for shipment and routing of the Property in accordance with the instructions of Buyer (if any) set forth on facsimile page hereof; provided however, if such instructions are unclear, incomplete or impractical of implementation, or if no shipping instructions are set forth on the facsimile page hereof, Seller may, and is hereby authorized by Buyer to arrange for shipment and routing of the Property as Seller deems appropriate. In no event will Seller be liable for any failure of the carrier to follow shipping instructions of either Buyer or Seller. Charges will be billed freight collect.

6. **Shipment.** Seller may ship the Property in partial shipments. Seller will use reasonable commercial efforts to deliver the Property by the requested delivery date, set forth on the facsimile page hereof, but will have no liability to Buyer for late shipments.

7. **Title, Risk of Loss and Insurance.** Title to and all risk of loss or damage to the Property will pass from Seller to Buyer at the shipping point. Unless otherwise expressly agreed in writing, the cost of insurance on the Property while in transit will be borne by Buyer.

8. **Shipping.** All costs of unloading the Property from the carrier upon arrival at the shipping destination and moving the Property to the installation site are for the account of Buyer. Seller has no liability for the Buyer and Buyer assumes all risk of damage to or loss of the Property occurring in connection with such unloading and moving.

9. **Installation.** Buyer will, at its expense, take all necessary steps to prepare the installation site for the installation of the Property. The cost of installation is included in the purchase price of the Property. Installation includes set up, start up or initial testing of equipment of operating performance. Seller has no responsibility or liability for any failure of the equipment to meet any applicable codes or standards established by any state, provincial, federal, and foreign authorities, or by any federal, state, or local governmental authority; provided, however, that in the event of any such failure to meet such codes or standards, Seller or its delegates will, at the request of Buyer, make such modifications to any of the Property as may be necessary to bring such Property into compliance with any such codes or standards, unless Seller determines that the cost to Seller of making any such modifications is expected to exceed ten percent (10%) of the purchase price of the Property or that the time required to effect such compliance (including the completion of any necessary inspections and the obtaining of any required permits or approvals) is expected to exceed ninety (90) days, in which case Seller may, after consulting with Buyer, provide notice to Buyer canceling this Agreement (less freight charges and applicable offsets), cancel the Agreement, or cancel the Agreement and assign to Buyer; and provided further that if Buyer so requests, Seller may, but shall not be obligated to, proceed with such modifications at the sole expense of Buyer, payment for which shall be made by Buyer in advance of Seller's performance.

10. **Warranty and Limitation of Liability.** EXCEPT AS MAY OTHERWISE BE SET FORTH IN A WRITTEN WARRANTY OF THE PROPERTY EXECUTED BY SELLER, SELLER MAKES NO WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO THE PROPERTY, AND HEREBY EXPRESSLY DISCLAIMS ALL SUCH WARRANTIES, INCLUDING WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE OR PURPOSE. IN NO EVENT SHALL SELLER BE LIABLE FOR ANY INCIDENTAL, SPECIAL, GENERAL, DIRECT OR CONSEQUENTIAL DAMAGES (INCLUDING WITHOUT LIMITATION LOST PROFITS), AND IN NO EVENT SHALL SELLER'S LIABILITY EXCEED THE STATED PURCHASE PRICE OF THE PROPERTY.

11. **Trade-ins.** Buyer represents and warrants to Seller that Buyer has good and marketable title to any trade-in, referred to in Item 31 on the facsimile page hereof, and that any such trade-in is in good operating condition and will be transferred to Seller in as clean a condition as reasonably possible, interests or encumbrances of any third party. In the event that subsequent to such transfer any third party, including without limitation Amada Capital Corporation ("ACC"), asserts a lien on or other interest in such trade-in, Buyer hereby grants to Seller a license to store any such trade-in on Buyer's premises until such trade-in may be conveniently moved or resold, and Buyer will indemnify and hold Seller harmless from any loss or damage to such trade-in and any claims against Seller arising out of such storage or any unauthorized operation of such trade-in.

12. **Force Majeure.** In the event that Seller or any of its suppliers or delegates is unable to carry out Seller's obligations hereunder due to acts of God or of the public enemy, war, insurrection, riots, strikes, lockouts, labor disputes, fires, floods, earthquakes, natural disasters, unavoidable casualty, freight embargoes, shortages of labor or material, changes in governmental policy, laws or regulations (including but not limited to money exchange or transfer restrictions, imposition of quotas or limitation of shipments), or any other cause or causes beyond the control of Seller or its suppliers or delegates, whether or not specified above. Seller may extend the time of performance of its obligations to such extent as may be necessary to enable Seller and its suppliers and delegates to complete performance within the exercise of a reasonable diligence after the cause or causes of delay have been removed. In the event any such delay continues for a period of time of more than 60 months, either party may terminate its obligations hereunder by so notifying the other party in writing.

13. **Termination.** Upon the occurrence of an Event of Default (as defined in Section 8.6), Seller will, in addition to the other rights set forth in this Agreement, have the right to immediately terminate this Agreement as to any unshipped Property with or without notice of termination.

14. **Indemnification.** Buyer will defend, indemnify and hold Seller harmless from and against any and all claims, liabilities, damages, costs and expenses (including reasonable attorney's fees) arising out of or in connection with any use of the Property by Buyer or any breach of this Agreement by Buyer.

15. **Condition Precedent to Seller's Obligations.** On all installment sales, the written approval of ACC for such other financing company as may be involved in the terms of this Agreement is a condition precedent to the performance of Seller's obligations under this Agreement, and any of the Property delivered to Buyer prior to the obtaining of such written approval will be deemed to be held by Buyer as a bailee for its own benefit under a bailment revocable at will by Seller.

16. **Financing.** Buyer has sole responsibility for obtaining any necessary financing for the purchase of the Property. Any efforts of Seller to arrange any such financing are solely an accommodation to Buyer and do not obligate Seller in any way.

## B. Security Interest

1. **Grant of Security Interest.** To secure payment of the purchase price of the Property, Buyer hereby grants to Seller security interest in the Property, and in all accessions,添附物, and replacements or modifications thereto, as well as all proceeds (including insurance proceeds) of the foregoing. The security interest granted hereby constitutes a purchase money security interest under the California Uniform Commercial Codes. In addition, the security interest granted hereby shall secure the full and faithful performance by Buyer and all of Buyer's obligations under this Agreement. Notwithstanding the foregoing, the provisions of this Part B do not apply with respect to COD sales of Property for which payment is actually received by Seller from Buyer prior to or at the time of delivery of the Property to Buyer's facility.

2. **Information Regarding Buyer.** Buyer represents and warrants to Seller that all of the information regarding Buyer set forth on the facsimile page of this Agreement is true and correct.

3. **Certain Covenants of Buyer.** For so long as any amounts are owed by Buyer to Seller under this Agreement, Buyer (i) shall use the Property in compliance with all applicable laws, regulations and ordinances; (ii) shall maintain the Property in good condition and repair, reasonable wear and tear excepted; (iii) shall pay when due all taxes, charges and impositions on the Property or the ownership, use or occupancy of the Property; (iv) shall not commit waste, self-service, or other acts or omissions, interests and encumbrances of any third party; (v) shall permit Seller to inspect the Property, during normal business hours; (vi) shall promptly notify Seller of the occurrence of any events which materially and adversely affect the value of the Property as collateral; (vii) shall promptly notify Seller in writing of any change of Buyer's legal name or any changes in its address, telephone number, fax number, business, and the organizational or financial structure of Buyer; (viii) shall promptly furnish to Seller copies of all financial statements of Buyer; and (ix) shall not, without prior written consent of Seller, sell, assign, exchange, lease, lend, license or use the Property in a manner other than as intended by the manufacturer, or in violation of any insurance policy covering the Property, or remove or obliterate any markings affixed by Seller to the Property or give notice of Seller's security interest therein or any identifying inscription, serial number, or lettering on the Property, or permit the Property to become so altered as to render it to become a fixture.

4. **Insurance.** Buyer shall keep the Property insured against all risk of loss or damage from every cause whatsoever for which insurance is commercially available, in a coverage amount not less than the full cash purchase price of the Property, under policies providing that losses shall be payable to Seller and not Buyer, and shall provide Seller with a copy of the policy and a certificate of insurance effective date of any alterations or cancellations of any such policy. All such insurance policies shall otherwise be in form and substance and with conditions satisfactory to Seller. Buyer shall deliver such insurance policies to Seller, or shall furnish to Seller such other evidence of insurance as Seller may from time to

time request. The proceeds of such insurance shall be applied, at the option of Buyer, to payment of replacement, restoration or repair of any Property which is lost, stolen, damaged or destroyed or payment of the obligations of Buyer hereunder. Buyer hereby irrevocably appoints Seller attorney-in-fact, which appointment is coupled with an interest, to make claims for such loss under any such policy of insurance. If Buyer fails to procure or maintain such insurance, Seller has the right, but shall not be obligated, to obtain and maintain such insurance, or to reimburse Seller for the cost thereof.

5. **Covenants Regarding Location of Property.** Buyer will not remove any of the Property at location which it installed or otherwise changes the location of any of the Property without written consent of Seller in each instance. EACH SIGNATORY HERETO WILL BE LIABLE TO SELLER FOR ANY AND ALL LOSS OR DAMAGE SUSTAINED BY SELLER AS A RESULT OF ANY CHANGE IN LOCATION OF THE PROPERTY WITHOUT THE PRIOR WRITTEN CONSENT OF SELLER, SPECIFICALLY INCLUDING, WITHOUT LIMITATION, ANY DAMAGE OR LOSS OF PERFECTION OF SELLER'S OR ACC'S SECURITY INTEREST IN THE PROPERTY.

6. **Default.** The occurrence of any of the following shall constitute an Event of Default: (i) Breach of the payment of the purchase price of the Property or of any interest or fee thereof or interest thereon; (ii) any breach of Buyer of any representation, warranty, agreement (other than as to payment) set forth in this Agreement or any other agreement between Seller and Buyer or arising by operation of law or otherwise, which breach is not cured within ten (10) days following notice thereof by Seller to Buyer; (c) the issuance or entry of an injunction or attachment against Buyer, the Property or any other property of Buyer; (d) any notice of bulk sale or intended bulk sale by Buyer; (e) the appointment of a receiver or conservator of any of the assets of Buyer; (f) the filing of a petition for the benefit of creditors, the filing of a voluntary or involuntary petition for reorganization, dissolution or liquidation under any bankruptcy or other laws relating to debtors, to the extent that any of the foregoing is by, for, on behalf of or with respect to the bankruptcy of Buyer, the suspension, liquidation, discharge or unenforceability of obligations of Buyer, or the suspension, liquidation or discharge of any obligations of Seller in favor of Buyer; (g) the filing of a petition for the benefit of creditors, the filing of a voluntary or involuntary petition for reorganization, dissolution or liquidation under any bankruptcy or other laws relating to debtors, to the extent that any of the foregoing is by, for, on behalf of or with respect to the bankruptcy of Seller; (h) the filing of a petition for the benefit of creditors, the filing of a voluntary or involuntary petition for reorganization, dissolution or liquidation under any bankruptcy or other laws relating to debtors, to the extent that any of the foregoing is by, for, on behalf of or with respect to the bankruptcy of Seller; (i) the filing of a petition for the benefit of creditors, the filing of a voluntary or involuntary petition for reorganization, dissolution or liquidation under any bankruptcy or other laws relating to debtors, to the extent that any of the foregoing is by, for, on behalf of or with respect to the bankruptcy of Seller; (j) the filing of a petition for the benefit of creditors, the filing of a voluntary or involuntary petition for reorganization, dissolution or liquidation under any bankruptcy or other laws relating to debtors, to the extent that any of the foregoing is by, for, on behalf of or with respect to the bankruptcy of Seller; 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(yy) the filing of a petition for the benefit of creditors, the filing of a voluntary or involuntary petition for reorganization, dissolution or liquidation under any bankruptcy or other laws relating to debtors, to the extent that any of the foregoing is by, for, on behalf of or with respect to the bankruptcy of Seller; (zz) the filing of a petition for the benefit of creditors, the filing of a voluntary or involuntary petition for reorganization, dissolution or liquidation under any bankruptcy or other laws relating to debtors, to the extent that any of the foregoing is by, for, on behalf of or with respect to the bankruptcy of Seller; (aa) the filing of a petition for the benefit of creditors, the filing of a voluntary or involuntary petition for reorganization, dissolution or liquidation under any bankruptcy or other laws relating to debtors, to the extent that any of the foregoing is by, for, on behalf of or with respect to the bankruptcy of Seller; (bb) the filing of a petition for the benefit of creditors, the filing of a voluntary or involuntary petition for reorganization, dissolution or liquidation under any bankruptcy or other laws relating to debtors, to the extent that any of the foregoing is by, for, on behalf of or with respect to the bankruptcy of Seller; (cc) the filing of a petition for the benefit of creditors, the filing of a voluntary or involuntary petition for reorganization, dissolution or liquidation under any bankruptcy or other laws relating to debtors, to the extent that any of the foregoing is by, for, on behalf of or with respect to the bankruptcy of Seller; (dd) the filing of a petition for the benefit of creditors, the filing of a voluntary or involuntary petition for reorganization, dissolution or liquidation under any bankruptcy or other laws relating to debtors, to the extent that any of the foregoing is by, for, on behalf of or with respect to the bankruptcy of Seller; (ee) the filing of a petition for the benefit of creditors, the filing of a voluntary or involuntary petition for reorganization, dissolution or liquidation under any bankruptcy or other laws relating to debtors, to the extent that any of the foregoing is by, for, on behalf of or with respect to the bankruptcy of Seller; (ff) the filing of a petition for the benefit of creditors, the filing of a voluntary or involuntary petition for reorganization, dissolution or liquidation under any bankruptcy or other laws relating to debtors, to the extent that any of the foregoing is by, for, on behalf of or with respect to the bankruptcy of Seller; (gg) the filing of a petition for the benefit of creditors, the filing of a voluntary or involuntary petition for reorganization, dissolution or liquidation under any bankruptcy or other laws relating to debtors, to the extent that any of the foregoing is by, for, on behalf of or with respect to the bankruptcy of Seller; (hh) the filing of a petition for the benefit of creditors, the filing of a voluntary or involuntary petition for reorganization, dissolution or liquidation under any bankruptcy or other laws relating to debtors, to the extent that any of the foregoing is by, for, on behalf of or with respect to the bankruptcy of Seller; (ii) the filing of a petition for the benefit of creditors, the filing of a voluntary or involuntary petition for reorganization, dissolution or liquidation under any bankruptcy or other laws relating to debtors, to the extent that any of the foregoing is by, for, on behalf of or with respect to the bankruptcy of Seller; (jj) the filing of a petition for the benefit of creditors, the filing of a voluntary or involuntary petition for reorganization, dissolution or liquidation under any bankruptcy or other laws relating to debtors, to the extent that any of the foregoing is by, for, on behalf of or with respect to the bankruptcy of Seller; (kk) the filing of a petition for the benefit of creditors, the filing of a voluntary or involuntary petition for reorganization, dissolution or liquidation under any bankruptcy or other laws relating to debtors, to the extent that any of the foregoing is by, for, on behalf of or with respect to the bankruptcy of Seller; (ll) the filing of a petition for the benefit of creditors, the filing of a voluntary or involuntary petition for reorganization, dissolution or liquidation under any bankruptcy or other laws relating to debtors, to the extent that any of the foregoing is by, for, on behalf of or with respect to the bankruptcy of Seller; (mm) the filing of a petition for the benefit of creditors, the filing of a voluntary or involuntary petition for reorganization, dissolution or liquidation under any bankruptcy or other laws relating to debtors, to the extent that any of the foregoing is by, for, on behalf of or with respect to the bankruptcy of Seller; (nn) the filing of a petition for the benefit of creditors, the filing of a voluntary or involuntary petition for reorganization, dissolution or liquidation under any bankruptcy or other laws relating to debtors, to the extent that any of the foregoing is by, for, on behalf of or with respect to the bankruptcy of Seller; (oo) the filing of a petition for the benefit of creditors, the filing of a voluntary or involuntary petition for reorganization, dissolution or liquidation under any bankruptcy or other laws relating to debtors, to the extent that any of the foregoing is by, for, on behalf of or with respect to the bankruptcy of Seller; (pp) the filing of a petition for the benefit of creditors, the filing of a voluntary or involuntary petition



7025 Firestone Blvd., Buena Park, CA 90621

# EQUIPMENT PURCHASE AND SECURITY AGREEMENT

Buyer (described in Item 1.A. below) agrees to purchase from AMADA AMERICA, INC. ("Seller") and Seller agrees to sell to Buyer for business only the equipment and other personal property described in Item 3, below ("Property"), on the terms and conditions set forth in this including without limitation the terms and conditions set forth on the reverse hereof.

TYPE OR PRINT ONLY

BY BUYER: I AGREE THAT THESE REQUIREMENTS CONCERNING THE INSURANCE PROVIDED  
BY SELLER ARE A SEPARATE AND INDEPENDENT PROPERTY.

If Buyer has elected to purchase the Property on an installment payment basis, Buyer acknowledges that Seller has offered both a cash purchase installment payment purchase price to Buyer and that Buyer has made its election based on a comparison of these prices. Buyer authorizes Seller to blank, including without limitation the date of first payment in item 2.C, and correct any typographical or other error on the facing page of this At executed at this Agreement by Buyer.

This Agreement shall not be binding upon Seller until executed by a duly authorized officer or manager of Seller in Buena Park, California. NO REPR  
ON WARRANTY RELATING TO THE TRANSACTION CONTEMPLATED BY THIS AGREEMENT IS BINDING ON OR ENFORCEABLE AGAINST SEL  
LER EXCEPT IN THIS AGREEMENT.

ПОСЛЕДНИЕ ПОСТАНОВЛЕНИЯ

BY *John W. May* TITLE ~~President~~ DATE 7/1  
BY TITLE DATE

# AMERICA INC. CSU LIFE

#### **A. Terms and Conditions of Sale**



7025 Firestone Blvd., Buena Park, CA 90621

FILE NUMBER 12901-C

## EQUIPMENT PURCHASE AND SECURITY AGREEMENT

Buyer (described in Item 1.A. below) agrees to purchase from AMADA AMERICA, INC. ("Seller") and Seller agrees to sell to Buyer for business only the equipment and other personal property described in Item 3, below ("Property"), on the terms and conditions set forth in this including without limitation the terms and conditions set forth on the reverse hereof.

## TYPE OR PRINT ONLY

A. DESCRIPTION OF BUYER				BUYER'S TRADE NAME OR STYLE											
BUYER'S FULL NAME PRECISION AMERICAN METALS, LLC				BUYER'S TRADE NAME OR STYLE											
<input type="checkbox"/> CORPORATION		<input checked="" type="checkbox"/> LIMITED LIABILITY CO.		ORGANIZED UNDER THE LAWS OF THE STATE OF:		IL		AMADA CUSTOMER 2981							
<input type="checkbox"/> PARTNERSHIP		<input type="checkbox"/> PROPRIETORSHIP		<input type="checkbox"/> OTHER		COUNTY		STATE							
STREET ADDRESS OF BUYER'S CHIEF EXECUTIVE OFFICE 1050 KINGSLAND DR.				P.O. BOX		CITY BATAVIA		ZIP CODE 60510		TELEPHONE ( 630 ) 406-7					
B. INSTALLATION SITE				COMPANY NAME SAME AS "A"				BRANCH / DIVISION							
STREET ADDRESS				CITY		COUNTY		STATE		ZIP CODE					
REQUEST DELIVERY DATE		SHIPPING INSTRUCTIONS FOB SHIPPING POINT		AMADA CUSTOMER NUMBER				CONTACT		JOHN MAZUREK					
C. BILLING INFORMATION				BILLING ADDRESS 11003 PINBRIEF DR.				CITY ALPHARETTA		COUNTY GA		ZIP CODE 30022			
				BILLING INSTRUCTIONS AMADA CUSTOMER NUMBER 29897-1				CONTACT		TELEPHONE ( 670 ) 642-5					
D. FOR SELLER'S REFERENCE ONLY				REGION NO. 72				SALESMAN NO. 922		SALESMAN NAME JOHN WOODRUFF		CUSTOMER P.O. NO. PAM6300601		P.O. D/ 06	
A. <input type="checkbox"/> NET 30 DAYS <input type="checkbox"/> C.O.D. <input checked="" type="checkbox"/> MONTHLY INSTALLMENTS (TOTAL NO. OF PAYMENTS 60)				B. AMOUNT OF EACH MONTHLY INSTALLMENT \$1,132.57				C. DUE DATE OF FIRST INSTALLMENT (TO BE COMPLETED BY SELLER)		D. TAX EXEMPT PURCHASE <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO		E. INSERT CERTIFICATE NO. HERE (SEE SECTION A.2 ON REVERSE)			
If this Agreement is for an installment sale, Buyer shall make each installment payment to: AMADA CAPITAL CORPORATION, Dept. LA22096, Pasadena, California 91105-2096															
A. MACHINE MODEL NO. FABRIVISION				B. SERIAL NO.		C. <input checked="" type="checkbox"/> NEW <input type="checkbox"/> DEMO <input type="checkbox"/> USED		D. MACHINE DESCRIPTION: ONE (1) AMADA INSPECTION MACHINE				A. CASH PURCHASE PRICE FOR \$64,70			
E. TOOLING, ATTACHMENTS, OPTIONS AND OTHER ADDITIONS (INCLUDING SPECIFICATIONS)				QTY.		CASH PRICE						B. CASH PURCHASE PRICE FOR TOOLING			
FREIGHT												\$1,800.00			
BPSA SUPERSEDES PURCHASE ORDER															
G. CALCULATE CREDIT FOR TRADE-IN ABOVE AND INSERT IN ITEM H.				TOTAL TO 4B								H. SUBTOTAL (D + E + F + G) \$66,51			
I. DESCRIBE TRADE-IN				J. VALUE OF TRADE-IN								I. LESS CREDIT FOR TRADE-IN IF < >			
												J. LESS CASH DOWN PAYMENT < >			
K. BUYER'S INSURANCE COMPANY FRANKENMUTH MUTUAL INS				L. NAME OF AGENT JIM MARSH				K. SUBTOTAL (H. - I. - J.) (CASH B) \$53,61							
BUYER'S INSURANCE AGENCY WEIS INS				M. PO. BOX								L. TIME PRICE DIFFERENCE \$14,31			
INSURANCE AGENCY'S ADDRESS 31 W 680 Kelly Trail				CITY Wayne		STATE IL		ZIP CODE 60184		TELEPHONE ( 630 ) 584-1717		M. TIME BALANCE (K. + L) \$67,91			

NOTE: Section B.4 on the reverse hereof sets forth certain requirements for insurance which must be provided by Buyer. Please review these requirements carefully with your insurance provider.

Buyer agrees to the terms and conditions set forth herein and on the reverse side of this Agreement, BY ITS EXECUTION BEI ACKNOWLEDGES THAT BUYER HAS READ AND UNDERSTANDS THE TERMS AND CONDITIONS ON THE REVERSE SIDE OF THIS / INCLUDING WITHOUT LIMITATION THE WARRANTY DISCLAIMERS AND LIMITATION OF LIABILITY SET FORTH IN SECTION A.10, AND JURISDICTION PROVISIONS SET FORTH IN SECTIONS D.4, RESPECTIVELY, AND UNDERSTANDS THAT THE AGREEMENT CREATES I SELLER A SECURITY INTEREST IN THE PROPERTY.

If Buyer has elected to purchase the Property on an installment payment basis, Buyer acknowledges that Seller has offered both a cash purchase installment payment price to Buyer and that Buyer has made its election based on a comparison of these prices. Buyer authorizes Seller to blank, including without limitation the date of first payment in Item 2.C, and correct any typographical or other error on the facing page of this Agreement by Buyer.

This Agreement shall not be binding upon Seller until executed by a duly authorized officer or manager of Seller in Buena Park, California. NO REPR OR WARRANTY RELATING TO THE TRANSACTION CONTEMPLATED BY THIS AGREEMENT IS BINDING ON OR ENFORCEABLE AGAINST SEL SET FORTH IN THIS AGREEMENT.

BUYER (IDENTIFIED IN ITEM 1.A. ABOVE) *John Mazurek* BY *John Mazurek* TITLE *President* DATE *1/22/08*  
AMADA AMERICA, INC. RECEIVED BY *John Mazurek* TITLE *President* DATE *1/22/08*

#### **A. Terms and Conditions of Sale**

- Price and Price Adjustments.** The cash purchase price of the Property is FOB point of shipment from the United States as designated by Seller, and is firm for thirty (30) days after the date of execution of this Agreement by Seller. After such period Seller may, in its discretion, adjust the purchase price of any unshipped Property to reflect cost increases and changes in market conditions. Seller will give Buyer written notice of any such price adjustments. Unless within seven (7) days after receiving such notice Buyer gives Seller written notice of any objections to any such price adjustment, Seller will be deemed to have waived all such objections.
- Fees.** The cash purchase price of the Property is exclusive of any and all excise, sales, use or other taxes levied by any federal, state, county, municipal or other governmental authorities, unless such taxes are to the account of Buyer. Seller is entitled to make payment of any such taxes directly to the taxing authority, and Buyer will reimburse Seller therefor. Such reimbursement will be made on demand unless otherwise expressly agreed in writing. If Buyer claims an exemption from such taxes, Buyer must provide evidence of such exemption acceptable to Seller.
- Freight Charges.** Freight charges for shipment of the Property to Buyer, including taxes on freight charges, if any, will be for the account of Buyer and will be billed freight collect. Freight charges, including and accessories will be separately invoiced to Buyer and are payable net 60 days from the date of invoice unless otherwise agreed in writing.
- late Charges.** Any payment of Buyer not received by the ninth (9th) day following the date due will be subject to a late charge of five percent (5%) of the amount due as liquidated damages.
- Shipment Instructions.** Seller will arrange for shipment and routing of the Property in accordance with the instructions of Buyer (if any) set forth on facing page hereof; provided however, if such instructions are unclear, incomplete or impractical of implementation, or if no shipping instructions are set forth on the facing page hereof, Seller may, and is hereby authorized by Buyer to arrange for shipment and routing of the Property as Seller deems appropriate. In no event will Seller be liable for any failure of the carrier to follow shipping instructions of either Buyer or Seller. Charges will be billed freight collect.
- Shipment.** Seller may ship the Property in partial shipments. Seller will use reasonable commercial efforts to deliver the Property by the requested delivery date, set forth on the facing page hereof, but will have no liability to Buyer for late shipments.
- Llate, Risk of Loss and Insurance.** Risk to and all risk of loss of or damage to the Property will pass from Seller to Buyer at the shipping point. Unless otherwise expressly agreed in writing, the cost of insurance on the Property while in transit will be borne by Buyer.
- Relocation.** All costs of unloading the Property from the carrier upon arrival at the shipping destination and moving the Property to the installation site are for the account of Buyer. Seller has no liability for the Buyer and Buyer assumes all risk of damage to or loss of the Property occurring in connection with such unloading and moving.
- Installation.** Buyer will, at its expenses, take all necessary steps to prepare the installation site for the installation of the Property. The cost of installation is included in the purchase price of the Property. Installation includes set up, start up and initial adjustment of operating performance. Seller has no responsibility or liability for any failure of any of the Property to meet any applicable codes or standards established by any private organization or any federal, state, county, municipal or other governmental authority; provided, however, that in the event of any such failure to meet such codes or standards, Seller will, at the request of Buyer, make such modifications to any of the Property as may be necessary to bring the Property into compliance with any such codes or standards, unless Seller determines that the cost of such modifications to the Property is expected to exceed ten percent (10%) of the purchase price of the Property or that the time required to effect such compliance (including the completion of any necessary inspections and the obtaining of any necessary permits or approvals) is expected to exceed ninety (90) days, in which case Seller may, upon refunding to Buyer payments received in respect of the canceled portion of this Agreement (less freight charges and applicable duties), cancel this Agreement in whole or in part without further liability to Buyer; and provided further that, if Buyer so requests, Seller may, but shall not be obligated to, proceed with such modifications at the sole expense of Buyer, payment for which shall be made by Buyer in advance of Seller's performance.
- Warranty and Limitation of Liability.** EXCEPT AS MAY OTHERWISE BE SET FORTH IN A WRITTEN WARRANTY OF THE PROPERTY EXECUTED BY SELLER, SELLER MAKES NO WARRANTY, EXPRESS OR IMPLIED, WRITTEN OR ORAL, AND HEREBY EXPRESSLY DISCLAIMS ALL SUCH WARRANTIES, INCLUDING WITHOUT LIMITATION ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE OR PURPOSE. IN NO EVENT SHALL SELLER BE LIABLE FOR ANY INCIDENTAL, SPECIAL, GENERAL, DIRECT OR CONSEQUENTIAL DAMAGES (INCLUDING WITHOUT LIMITATION LOST PROFITS), AND IN NO EVENT SHALL SELLER'S LIABILITY EXCEED THE STATED PURCHASE PRICE OF THE PROPERTY.
- Trade-In.** Buyer represents and warrants to Seller that Buyer has good and marketable title to any trade-in, referred to in Item 3.F on the facing page hereof, and that any such trade-in is in good operating condition and will be transferred to Seller free and clear of all claims, liens, charges, security interests or encumbrances of any third party. In the event that subsequent to such transfer any third party, including without limitation Amada Capital Corporation ("ACC"), asserts a lien on or other interest in such trade-in, Buyer hereby grants to Seller a license to store any such trade-in on Buyer's premises, and holds Seller harmless from any loss or damage to such trade-in and any claims against Seller arising out of such storage or any unauthorized operation of such trade-in.
- Force Majeure.** In the event that Seller or any of its suppliers or delegates is unable to carry out Seller's obligations hereunder due to acts of God or of the public enemy, war, insurrection, riots, strikes, lockouts, labor disputes, fires, floods, earthquakes, natural disasters, unavoidable casualty, labor or material shortages, or any other cause beyond Seller's control, including force majeure provisions of contracts, or any other cause of cause beyond the control of Seller, Seller's obligations to Buyer will be suspended for the period of time necessary to correct such cause, whether or not specified above. Seller may extend the time of performance of its obligations to the extent as may be necessary to enable Seller and its suppliers and delegates to complete its performance with the exercise of reasonable diligence after the cause or causes of delay have been removed. In the event any such delay continues for a period of more than six (6) months, either party may terminate its obligations hereunder by so notifying the other party in writing.
- Termination.** Upon the occurrence of an Event of Default as defined in Section B.B, Seller will, in addition to the other rights set forth in this Agreement, have the right to immediately terminate this Agreement as to any un-shipped Property by or without notice of termination.
- Indemnification.** Buyer will defend, indemnify and hold Seller harmless from and against any and all claims, liabilities, damages, costs and expenses (including reasonable attorney's fees) arising out of or in connection with any use of the Property by Buyer or any breach of this Agreement by Buyer.
- Condition Precedent to Seller's Obligations.** On all installment sales the written approval of ACC for such off-lease financing company as may be involved to the terms of this Agreement is a condition precedent to the performance of Seller's obligations under this Agreement, and any of the Property delivered to Buyer prior to the obtaining of such written approval will be deemed to be held by Buyer as a bailee for its own benefit under a bill of lading revocable at will by Seller.
- Financing.** Buyer has sole responsibility for obtaining any necessary financing for the purchase of the Property. Any efforts of Seller to arrange any such financing are solely an accommodation to Buyer and do not obligate Seller in any way.

AGREEMENT NUMBER 141

FILE NUMBER 12901-C

7025 Firestone Blvd., Buena Park, CA 90621

7025 Firestone Blvd., Buena Park, CA 90621

# EQUIPMENT PURCHASE AND SECURITY AGREEMENT

Buyer (described in Item 1.A. below) agrees to purchase from AMADA AMERICA, INC. ("Seller") and Seller agrees to sell to Buyer for business only the equipment and other personal property described in Item 3, below ("Property"), on the terms and conditions set forth in this including without limitation the terms and conditions set forth on the reverse hereof.

TYPE OR PRINT ONLY

A. DESCRIPTION OF BUYER BUYER'S FULL NAME <b>PRECISION AMERICAN METALS, LLC</b>				BUYER'S TRADE NAME OR STYLE			
<input checked="" type="checkbox"/> CORPORATION		<input type="checkbox"/> LIMITED LIABILITY CO.		<input type="checkbox"/> OTHER		ORGANIZED UNDER THE LAWS OF THE STATE OF: <b>IL</b>	
C. PARTNERSHIP		D. PROPRIETORSHIP		E. OTHER		AMADA CUSTOMER 2986	
STREET ADDRESS OF BUYER'S CHIEF EXECUTIVE OFFICE <b>1050 KINGSLAND DR.</b>				P.O. BOX	CITY <b>BATAVIA</b>	COUNTY <b>IL</b>	ZIP CODE <b>60510</b>
B. INSTALLATION SITE COMPANY NAME <b>SAMB AS "A"</b> BRANCH / DIVISION							
STREET ADDRESS				CITY	COUNTY	STATE	ZIP CODE
REQUEST DELIVERY DATE		SHIPPING INSTRUCTIONS <b>FOB SHIPPING POINT</b>		AMADA CUSTOMER NUMBER		CONTACT	
C. BILLING INFORMATION BILLING ADDRESS <b>11005 PINEHIGH DR.</b> P.O. BOX CITY <b>ALPHARETTA</b> COUNTY <b>GA</b> STATE <b>30022</b> ZIP CODE <b>( 678 ) 642-1</b>							
BILLING INSTRUCTIONS				AMADA CUSTOMER NUMBER		CONTACT <b>29897-1</b>	
D. FOR SELLER'S REFERENCE ONLY REGION NO. DIVISION NO. SALESMAN NO. SALESMAN NAME <b>72</b> <b>005</b> <b>922</b> <b>JOHN WOODRUFF</b> CUSTOMER P.O. NO. P.O. NO. <b>PAM6300601</b> <b>06</b>							
A. <input type="checkbox"/> NET 30 DAYS <input type="checkbox"/> C.O.D. <input checked="" type="checkbox"/> MONTHLY INSTALLMENTS (TOTAL NO. OF PAYMENTS <b>60</b> ) <input type="checkbox"/> OTHER							
B. AMOUNT OF EACH MONTHLY INSTALLMENT <b>\$2,045.38</b>		C. DUE DATE OF FIRST INSTALLMENT (TO BE COMPLETED BY SELLER) <b>5-16-07</b>		D. TAX EXEMPT PURCHASE <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO		E. INSERT CERTIFICATE NO. HERE (SEE SECTION A.2 ON REVERSE)	
If this Agreement is for an installment sale, Buyer shall make each installment payment to: <b>AMADA CAPITAL CORPORATION, Dept. LA22006, Pasadena, California 91105-2096</b>							
A. MACHINE MODEL NO. <b>MP1225NJ</b>		B. SERIAL NO.		C. <input checked="" type="checkbox"/> NEW <input type="checkbox"/> DEMO <input type="checkbox"/> USED		D. MACHINE DESCRIPTION: ONE (1) AMADA <b>MANIPULATOR SYSTEM</b>	
E. TOOLING, ATTACHMENTS, OPTIONS AND OTHER ADDITIONS (INCLUDING SPECIFICATIONS)		QTY.		CASH PRICE		A. CASH PURCHASE PRICE FOR I <b>\$121,00</b>	
						B. CASH PURCHASE PRICE FOR TOOLING <b>\$121,00</b>	
						C.	
						D. TOTAL CASH PURCHASE PRICE <b>\$121,00</b>	
						E. SALES TAX (RATE + <b>%</b> )	
						F.	
						G.	
						H. SUBTOTAL (D + E + F + G) <b>\$121,00</b>	
I. DESCRIBE TRADE-IN		J. VALUE OF TRADE-IN		K. LESS LIENS OR ALCS < <b>&gt;</b>		L. LESS CREDIT FOR TRADE-IN (H - I) < <b>&gt;</b>	
G. CALCULATE CREDIT FOR TRADE-IN ABOVE AND INSERT IN ITEM H		J. CREDIT FOR TRADE-IN (H - I)		K. SUBTOTAL (H - I - J) (CASH B) <b>\$96,80</b>		L. TIME PRICE DIFFERENTIAL (M) <b>\$25,92</b>	
BUYER'S INSURANCE COMPANY <b>FRANKLIN MUTUAL</b>		NAME OF AGENT <b>JAY HARVEY</b>		POLICY # <b>1391974874</b>		M. TIME BALANCE (K + L) <b>\$122,72</b>	
BUYER'S INSURANCE AGENCY <b>WEISS INS.</b>		ZIP CODE <b>60184</b>		TELEPHONE <b>312 584 1717</b>			
INSURANCE AGENCY'S ADDRESS <b>31 W 680</b>							
CITY <b>WACO</b>		STATE <b>IL</b>					

Buyer agrees to the terms and conditions set forth herein and on the reverse side of this Agreement. BY ITS EXECUTION BUYER ACKNOWLEDGES THAT BUYER HAS READ AND UNDERSTANDS THE TERMS AND CONDITIONS ON THE REVERSE SIDE OF THIS AGREEMENT, INCLUDING WITHOUT LIMITATION THE WARRANTY DISCLAIMERS AND LIMITATION OF LIABILITY SET FORTH IN SECTION A.10, AND JURISDICTION PROVISIONS SET FORTH IN SECTIONS D.4, RESPECTIVELY, AND UNDERSTANDS THAT THE AGREEMENT CREATES NO SECURITY INTEREST IN THE PROPERTY.

If Buyer has elected to purchase the Property on an installment payment basis, Buyer acknowledges that Seller has offered both a cash purchase installment payment purchase price to Buyer and that Buyer has made its election based on a comparison of these prices. Buyer authorizes Seller to blank, including without limitation the date of first payment in Item 2.C, and correct any typographical or other error on the facing page of this Agreement by Buyer.

This Agreement shall not be binding upon Seller until executed by a duly authorized officer or manager of Seller in Buena Park, California. NO REPO  
OR WARRANTY RELATING TO THE TRANSACTION CONTEMPLATED BY THIS AGREEMENT IS BINDING ON OR ENFORCEABLE AGAINST SELL  
SET FORTH IN THIS AGREEMENT.

BRITISH OPEN HEAT IN HEMI-SEA ABOVE

(B)

**TITLE**

DATE 7/7

## A. Terms and Conditions of Sale

1. **Price and Price Adjustments.** The cash purchase price of the Property is FOB point of shipment from within the United States as designated by Seller, and is due for thirty (30) days after the date of execution of this Agreement by Seller. After such period Seller may, in its discretion, adjust the purchase price of any unshipped Property to reflect cost increases and changes in market conditions. Seller will give Buyer written notice of any such price adjustments. Unless within seven (7) days after receiving such notice Buyer gives Seller written notice of any objections to any such price adjustment, Buyer will be deemed to have waived all such objections.

2. **Taxes.** The cash purchase price of the Property is exclusive of any and all excise, sales, use or other taxes levied by any federal, state, county, municipal or other governmental authorities, all of which are for the account of Buyer. Seller is authorized to make payment of any such taxes directly to the taxing authority, and Buyer will reimburse Seller therefor. Such reimbursement will be made on demand unless otherwise expressly agreed in writing. If Buyer claims an exemption from such taxes, Buyer must provide evidence of such exemption acceptable to Seller.

3. **Freight Charges.** Freight charges for shipment of the Property to Buyer, including taxes on freight charges, if any, are for the account of Buyer and will be billed freight collect. Freight charges for tooling and accessories will be separately invoiced to Buyer and are payable net 30 days from the date of invoice unless otherwise agreed in writing.

4. **Late Charges.** Any payment of Buyer not received by the ninth (9th) day following the date due will be subject to a late charge of five percent (5%) of the amount due as liquidated damages.

5. **Shipping Instructions.** Seller will arrange for shipment and routing of the Property in accordance with the instructions of Buyer if any set forth on facsimile page hereof; provided however, if such instructions are unclear, incomplete or impractical of implementation, or if no shipping instructions are set forth on the facsimile page hereof, Seller may, and is hereby authorized by Buyer to arrange for shipment and routing of the Property as Seller deems appropriate. In no event will Seller be liable for any failure of the carrier to follow shipping instructions of either Buyer or Seller. Charges will be billed freight collect.

6. **Shipment.** Seller may ship the Property in partial shipments. Seller will use reasonable commercial efforts to deliver the Property by the requested delivery date, set forth on the facsimile page hereof, but will have no liability to Buyer for late shipments.

7. **Title, Risk of Loss and Insurance.** Title to and all risk of loss of or damage to the Property will pass from Seller to Buyer at the shipping point. Unless otherwise expressly agreed in writing, the cost of insurance on the Property while in transit will be borne by Buyer.

8. **Shipping.** All costs of unloading the Property from the carrier upon arrival at the shipping destination and moving the Property to the installation site are for the account of Buyer. Seller has no liability for the Buyer and Buyer assumes all risk of damage to or loss of the Property occurring in connection with such unloading and moving.

9. **Installation.** Buyer will, at its expense, take all necessary steps to prepare the installation site for the installation of the Property. The cost of installation is included in the purchase price of the Property. Installation includes set up, start up and initial adjustment of operating performance. Seller has no responsibility or liability for any failure of any of the Property to meet any applicable codes or standards established by any private organization or any federal, state, county, municipal or other governmental authority; provided, however, that in the event of any such failure to meet such codes or standards, Seller or its delegatee will, at the request of Buyer, make such modifications to any of the Property as may be necessary to bring such Property into compliance with any such codes or standards. Seller or its delegatee will determine that the cost to Seller of making any such modifications is proposed to exceed ten percent (10%) of the purchase price of the Property or that the time required to effect such compliance, including the compilation of any engineering data and the obtaining of necessary permits or approvals is expected to exceed ninety (90) days, in which case Seller may upon refunding to Buyer payments received in respect of the canceled portion of this Agreement (less freight charges and applicable offsets), cancel this Agreement in whole or in part without further liability to Buyer; and provided further that if Buyer so requests, Seller may, but shall not be obligated to, proceed with such modifications at the sole expense of Buyer, payment for which shall be made by Buyer in advance of Seller's performance.

10. **Warranty and Limitation of Liability.** EXCEPT AS MAY OTHERWISE BE SET FORTH IN A WRITTEN WARRANTY OF THE PROPERTY EXECUTED BY SELLER, SELLER MAKES NO WARRANTY, EXPRESS OR IMPLIED, WRITTEN OR ORAL, AND HEREBY EXPRESSLY DISCLAIMS ALL SUCH WARRANTIES, INCLUDING WITHOUT LIMITATION ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE OR PURPOSE. IN NO EVENT SHALL SELLER BE LIABLE FOR ANY INCIDENTAL, SPECIAL, GENERAL, DIRECT OR CONSEQUENTIAL DAMAGES (INCLUDING WITHOUT LIMITATION LOST PROFITS), AND IN NO EVENT SHALL SELLER'S LIABILITY EXCEED THE STATED PURCHASE PRICE OF THE PROPERTY.

11. **Trade-In.** Buyer represents and warrants to Seller that Buyer has good and marketable title to any trade-in, referred to in Item 3.F on the facsimile page hereof, and that any such trade-in is in good operating condition and will be transferred to Seller free and clear of all claims, liens, charges, security interests or encumbrances of any third party. In the event that subsequent to such transfer any third party, including without limitation Amda Capital Corporation ("ACC"), asserts a lien on or other interest in such trade-in, Buyer hereby grants to Seller a license to store any such trade-in on Buyer's premises until such trade-in may be conveniently moved or resold, and Buyer will indemnify Seller, and hold Seller harmless from any loss or damage to such trade-in and any claims against Seller arising out of such storage or any unauthorized operation of such trade-in.

12. **Force Majeure.** In the event that Seller or any of its suppliers or delegates is unable to carry out Seller's obligations hereunder due to acts of God or the public enemy, war, insurrection, riots, strikes, lockouts, labor disputes, fires, floods, earthquakes, natural disasters, unavoidable casualty, freight embargoes, shortages of labor or material, changes in governmental policy, laws or regulations, import or export restrictions, or any other cause beyond the control of Seller or its suppliers or delegates, whether or not specified above, Seller may extend the time of performance of its obligations to such extent as may be necessary to enable Seller and its suppliers and delegates to complete performance with the exercise of reasonable diligence after the cause or causes of delay have been removed. In the event any such delay continues for a period of more than six (6) months, either party may terminate its obligations hereunder by so notifying the other party in writing.

13. **Termination.** Upon the occurrence of an Event of Default (as defined in Section B.6), Seller will, in addition to the other rights set forth in this Agreement, have the right to immediately terminate this Agreement as to any unshipped Property with or without notice of termination.

14. **Indemnification.** Buyer will defend, indemnify and hold Seller harmless from and against any and all claims, liabilities, damages, costs and expenses (including reasonable attorney's fees) arising out of or in connection with any use of the Property by Buyer or any breach of this Agreement by Buyer.

15. **Condition Precedent to Seller's Obligations.** On all installment sales, the written approval of ACC to such sale, and the compensation of ACC for its services in connection with the Agreement, and prior to the performance of Seller's obligations under this Agreement, and any of the Property delivered to Buyer prior to the obtaining of such written approval will be deemed to be held by Buyer as a bailee for its own benefit under a bailment revocable at will by Seller.

16. **Financing.** Buyer has sole responsibility for obtaining any necessary financing for the purchase of any Property. Any efforts of Seller to arrange any such financing are solely an accommodation to Buyer and do not obligate Seller in any way.

## B. Security Interest

1. **Grant of Security Interest.** To secure payment of the purchase price of the Property, Buyer hereby grants to Seller security interest in the Property, and in all accessions thereto and replacements or modifications thereof, as well as all proceeds (including insurance proceeds) of the foregoing. The security interest granted hereby constitutes a purchase money security interest under the California Uniform Commercial Codes. In addition, the security interest granted hereby shall secure full and faithful performance by Buyer and all of Buyer's obligations under this Agreement. Notwithstanding the foregoing, the provisions of this Part B do not apply with respect to any 100% open of Property to which payment is actually received by Seller from Buyer prior to or at the time of delivery of the Property to Buyer's facility.

2. **Information Regarding Buyer.** Buyer represents and warrants to Seller that all of the information regarding Buyer set forth on the facsimile page of this Agreement is true and correct.

3. **Certain Covenants of Buyer.** For so long as any amounts are owed by Buyer to Seller under this Agreement, Buyer (a) shall use the Property in compliance with all applicable laws, regulations and ordinances; (b) shall maintain the Property in good condition and reasonable wear and tear notwithstanding; (c) shall pay taxes due on all taxes, charges and impositions on the Property or the ownership, use, disposition or sale of same; (d) shall keep the Property free of all liens, charges, claims, security interests and encumbrances of any third party; (e) shall permit Seller to inspect the Property, and inspect and inspect the effects of all other players in the market for the Property, during normal business hours; (f) shall promptly notify Seller of any events which could reasonably and adversely affect the value of the Property as collateral; (g) shall promptly notify Seller in writing of any change of Buyer's legal name or any trademarks or style, the form to which Buyer conducts its business, and the organizational or financial structure of Buyer; (h) shall promptly furnish to Seller upon request current financial statements of Buyer; and (i) shall not, without prior written consent of Seller, sell, assign, exchange, lease, lend, because the use of pledges, encumbrances, grant a security interest in or dispose of the Property, or any part thereof, or any interest in the Property, or any part thereof, or any rights in the Property, or any rights in the Property, or in violation of any insurance policy covering the Property, or remove or obliterate any markings affixed by Seller to the Property or give notice of Seller's security interest therein or any identifying linguistic, serial number, or labeling on the Property, or permit the Property to become so altered as to really or become a fixture.

4. **Insurance.** Buyer shall keep the Property insured against all risk of loss or damage from every cause as determined by Seller, which insurance is commercially available, in amounts not less than the total cash purchase price of the Property, under policies providing that losses shall be payable to Seller, and including the excess to give Seller net less than thirty (30) days after written notice of the effective date of any alterations or cancellations of any such policy. All such insurance policies shall otherwise be in form and substance and will companies acceptable to Seller. Buyer shall deliver such insurance policies to Seller, or shall furnish to Seller such other evidence of insurance as Seller may from time to

time request. The proceeds of such insurance shall be applied, at the option of Seller, to replacement, restoration or repair of any Property which is lost, stolen, damaged or destroyed, or payment of the obligations of Buyer hereunder. Buyer hereby irrevocably appoints Seller attorney-in-fact, which appointment is coupled with an interest, to make claims for, recel and execute and endorse all documents, checks, or drafts received in payment of any liability under any such policy of insurance. If Buyer fails to procure or maintain such insurance, an reimbursement Seller for the cost thereof.

5. **Covenants Regarding Location of Property.** Buyer will not remove any of the Property from location at which installed or otherwise change the location of any of the Property without written consent of Seller in each instance. EACH SIGNATORY HEREETO WILL BE LIABLE TO SELLER FOR ANY AND ALL LOSS OR DAMAGE SUSTAINED BY SELLER AS A RESULT OF ANY CHANGE IN LOCATION OF THE PROPERTY WITHOUT THE PRIOR WRITTEN CONSENT OF SELLER, SPECIFICALLY INCLUDING, WITHOUT LIMITATION, ANY DAMAGE OR LOSS OF PERFECTION OF SELLER'S OR ACC'S SECURITY INTEREST IN THE PROPERTY.

6. **Default.** The occurrence of any of the following shall constitute an Event of Default, by Buyer in the payment, when due or payable, of the purchase price of the Property or thereof or interest thereon; (b) any breach of Buyer of any representation, warranty agreement (other than as to payment set forth in this Agreement or any other agreement by Buyer or Seller, or arising by operation of law or otherwise), which breach is material or which may have a material adverse effect on Seller; (c) the issuance and/or filing of any suit, action, proceeding, or attachment against Buyer, the property or any other property of Buyer; (d) any notice of bulk sale or intended bulk sale by Buyer; (e) the appointment of a receiver or of creditors or liquidating agents, the offering of a composition or extension to creditors or an assignment for the benefit of creditors or the commencement of any proceeding, reorganization, dissolution or liquidation under any bankruptcy or other laws relating to debtors, to the extent that any of the foregoing is by, for, on behalf of or with respect to the insolvency of Buyer, the suspension, termination, discharge or unenforceability of executed in favor of Seller with respect to any of the obligations secured hereby; or the condition or affairs (financial or otherwise) of Buyer which in the good faith determine impairs Seller's security or increase its risk.

7. **Remedies on Default.** Upon the occurrence of an Event of Default, or at any time the Event of Default shall be continuing, in addition to any other rights or remedies Seller shall have any or all of the following rights and remedies: (a) Seller shall have all of remedies of a secured party under the Uniform Commercial Code as to effect in any which enforcement hereof is sought; (b) Seller may, at its option, accelerate and declare indebtedness secured hereby to be immediately due and payable; (c) Seller shall have the immediate and exclusive possession of any and all of the Property, wherever located, prior notice, enter peacefully upon the premises where such Property may be located or the Property, house and location; (d) Seller may require Buyer to pay Seller's expenses, if Property is sold or made available, costs of any removal, transport, location, removal, Seller and Seller may be in sole discretion, to the cost of removal, and time to him, but only if Buyer has at least ten (10) days prior written notice of its intention to dispose of the Property and make it reasonable time, lease any of the Property on such terms and as Seller may consider appropriate, or sell, resell, transfer, assign, dispose of and/or sell the Property, in one or more parcels, at the same or different times, and all right, in therein, at public or private sale, in case, upon credit or for future delivery, and of such Seller may determine; (f) in connection with any disposition for or purchase of Property, and by such purchase acquire all right, title and interest thereby; (g) Seller may and on behalf of Buyer, make and deliver to any purchaser of any of the Property, sufficient bill of sale or other evidence of transfer of all right, title and interest in the Property to such purchaser; and (h) Seller may in its own name or in the name of and on behalf of all actions required to cure any such Event of Default, and all costs expended by Seller such cure shall be secured hereby.

8. **Application of Proceeds.** The net proceeds realized upon any liquidation or disposition of the Property, after deduction for the expense of retaining, holding, preparing for sale or leasing and the like, and the reasonable attorney's fees and legal expenses and costs Seller in enforcing or exercising any of its rights or remedies under this Agreement, shall satisfaction of the obligations of Buyer secured under this Agreement in such order as is appropriate by Seller. Any surplus of such proceeds shall be paid to the person or entity entitled thereto, and the Buyer shall be liable to Seller for and shall immediately pay amount of any deficiency.

9. **Buyer's Waiver.** Except as to the notice of intention to dispose of Property prior to the sale of the Property, Seller may exercise any of its rights and remedies without demand, advertisement or notice as may be required by law. To the fullest extent permitted by law, Buyer waives all protest, notice of acceptance of this Agreement or other action taken in reliance hereon demands and notices of any description.

10. **Financing Statements.** Future filings and further assurances. Buyer hereby authorizes and directs its financing statements unauthenticated records, and future filings of any kind to any of the Property, in each case without Buyer's signature to the extent permitted Seller's request. Buyer shall execute one or more financing statements, future filing statements or other filings pursuant to the Uniform Commercial Code in form satisfactory to Seller, and Seller may take any and all steps required by Seller to maintain perfection of the security interest granted hereunder, or to fully assure to Seller its rights under this Agreement.

## C. Assignment

1. **Assignment to Canada Capital Corporation.** Unless otherwise agreed by the parties, Seller may at any time assign this Agreement and its rights hereunder, in whole or in part, to Buyer; provided, however, if Buyer hereby waives any right to assert against ACC any claims, defenses or offsets it may have against Seller, and Buyer hereby expressly agrees not to assert any such claim offsets against ACC.

2. **Assignment by Buyer.** Buyer may not assign, delegate or transfer any of its rights, under this Agreement to any third party without the prior written consent of Seller.

## D. Miscellaneous

1. **The order of application of Buyer payments.** The order of application of Buyer payments is at the discretion of Seller. Seller may apply and all of Buyer's payment to any outstanding balances owing by Seller including to Buyer late charges.

2. **Notices.** All notices, demands or consents required or permitted to be given under this Agreement shall be in writing and shall be deemed effective upon delivery if delivered personally after mailing if sent by first class United States mail, postage prepaid, addressed to address set forth herein or to such other address as shall be given by either party to the other.

3. **Waiver, Amendment or Modification.** No waiver, amendment or modification of this Agreement shall be effective unless in writing and signed by the party to whom it is directed. No waiver by Seller of any right or remedy hereunder shall operate as a waiver of any right or remedy by Seller on any one occasion shall not be construed as a bar to a right or remedy on any future occasion. All rights and remedies of Seller are separate and distinct and the exercise of any right or remedy shall not limit or preclude the exercise of another.

4. **Court Jurisdiction.** Any controversy, claim, action or dispute arising out of or relating to this Agreement will be subject to the laws of the State of California and the courts thereof.

5. **Attorneys' Fees.** In the event any arbitration or judicial action or proceeding is initiated by either party relating to this Agreement or in the event either party seeks relief from the 11 U.S.C. Section 362 (or any successor statute thereto), then the party to whom the award shall be given or any relief shall be granted or judgment shall be entered shall recover from the other party all costs and expenses (including attorneys' fees) incurred in preparing and any appeal therefrom.

6. **Severability.** In the event any provision or portion of any provision of the Agreement by a court of competent jurisdiction to be unenforceable or invalid, the remaining provisions shall remain in full force and effect.

7. **Entire Agreement.** Notwithstanding any purchase order submitted by Buyer which may contain terms and conditions different from those contained in this Agreement, this Agreement constitutes the entire agreement between Buyer and Seller pertaining to the subject matter hereof. Any and all agreements or understandings heretofore existing between the parties pertaining to the subject matter are expressly superseded and canceled by this Agreement.

8. **Home of the Escrow.** Except as to the provisions of this Agreement relating to title and shipping delays, time is of the essence with respect to each of the terms, conditions and covenants of this Agreement.

9. **Blinding Effect.** Subject to Part C of this Agreement, this Agreement shall be binding only on the parties to this Agreement and their legal representatives, successors and assigns.

10. **Headings.** Headings contained in this Agreement are for purposes of convenience and not part of this Agreement.



7025 Firestone Blvd., Buena Park, CA 90621

FILE NUMBER D901-CBX

## EQUIPMENT PURCHASE AND SECURITY AGREEMENT

Buyer (described in Item 1.A. below) agrees to purchase from AMADA AMERICA, INC. ("Seller") and Seller agrees to sell to Buyer for business only the equipment and other personal property described in Item 3, below ("Property"), on the terms and conditions set forth in this including without limitation the terms and conditions set forth on the reverse hereof.

## TYPE OR PRINT ONLY

## A. DESCRIPTION OF BUYER

BUYER'S FULL NAME PRECISION AMERICAN METALS, LLC

<input type="checkbox"/> CORPORATION	<input checked="" type="checkbox"/> LIMITED LIABILITY CO.	ORGANIZED UNDER THE LAWS OF THE STATE OF:			IL	AMADA CUSTOMER 2989
<input type="checkbox"/> PARTNERSHIP	<input type="checkbox"/> PROPRIETORSHIP	<input type="checkbox"/> OTHER				
STREET ADDRESS OF BUYER'S CHIEF EXECUTIVE OFFICE		P.O. BOX	CITY	COUNTY	STATE	ZIP CODE
1050 KINGSLAND DR.			BATAVIA	IL	60510	TELEPHONE (630) 406-7

## B. INSTALLATION SITE

COMPANY NAME	BRANCH / DIVISION		
SAME AS "A"			

STREET ADDRESS	CITY	COUNTY	STATE	ZIP CODE	TELEPHONE
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REQUEST DELIVERY DATE	SHIPPING INSTRUCTIONS	AMADA CUSTOMER NUMBER	CONTACT	JOHN MAZUREK	
	FOB SHIPPING POINT				

PILLING ADDRESS	P.O. BOX	CITY	COUNTY	STATE	ZIP CODE	TELEPHONE
11005 PINEHIGH DR.		ALPHARETTA		GA	30022	(678) 642-7

BILLING INSTRUCTIONS	AMADA CUSTOMER NUMBER	CONTACT	DICK CLARK		
	29897-1				

## D. FOR SELLER'S REFERENCE ONLY

REGION NO.	DIVISION NO.	SALESMAN NO.	SALESMAN NAME	CUSTOMER P.O. NO.	P.O. D/
72	001	922	JOHN WOODRUFF	PAM6300601	06/

A. <input type="checkbox"/> NET 30 DAYS <input type="checkbox"/> C.O.D. <input checked="" type="checkbox"/> MONTHLY INSTALLMENTS (TOTAL NO. OF PAYMENTS 60)	<input type="checkbox"/> OTHER	9
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B. AMOUNT OF EACH MONTHLY INSTALLMENT \$6,437.38	C. DUE DATE OF FIRST INSTALLMENT (TO BE COMPLETED BY SELLER) 5-15-07	D. TAX EXEMPT PURCHASE <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO	E. INSERT CERTIFICATE NO. HERE (SEE SECTION A.2 ON REVERSE)
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This Agreement is for an installment sale. Buyer shall make each installment payment to: AMADA CAPITAL CORPORATION, Dept. LA22090, Pasadena, California 91105-2090.			
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A. MACHINE MODEL NO. EM2510NT	B. SERIAL NO.	C. <input type="checkbox"/> NEW <input type="checkbox"/> DEMO <input type="checkbox"/> USED	D. MACHINE DESCRIPTION: ONE (1) AMADA TURRET PUNCH PRESS
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E. TOOLING, ATTACHMENTS, OPTIONS AND OTHER ADDITIONS (INCLUDING SPECIFICATIONS)			
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TOOLING PACKAGE (\$88000)				\$66,880.00
SCRAP CONVEYOR				\$6,705.00

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#### **A. Terms and Conditions of Sale**

1. **Price and Price Adjustments.** The cash purchase price of the Property is FOB point of shipment within the United States as designated by Seller, and is due 60 (60) days after the date of execution of this Agreement by Seller. After such period Seller may, in its discretion, adjust the purchase price of any unshipped Property to reflect cost increases and changes in market conditions. Seller will give Buyer written notice of any such price adjustments. Unless within seven (7) days after receiving such notice Buyer gives Seller written notice of any objections to any such price adjustment, Buyer will be deemed to have waived all such objections.

2. **Taxes.** The cash purchase price of the Property is exclusive of any and all excise, sales, use or other taxes levied by any federal, state, county, municipal or other governmental authorities, all of which are the responsibility of Buyer. Seller is authorized to make payment of any such taxes directly to the taxing authority, and Buyer will reimburse Seller therefor. Such reimbursement will be made on demand unless otherwise expressly agreed in writing. If Buyer claims an exemption from such taxes, Buyer must provide evidence of such exemption acceptable to Seller.

3. **Freight Charges.** Freight charges for shipment of the Property to Buyer, including taxes on freight charges, if any, are for the account of Buyer, and will be billed freight collect. Freight charges for tooling and accessories will be separately invoiced to Buyer and are payable not 30 days from the date of invoice unless otherwise agreed in writing.

4. **Late Charges.** Any payment of Buyer not received by the ninth (9th) day following the date due will be subject to a late charge of five percent (5%) of the amount due as liquidated damages.

5. **Shipping Instructions.** Seller will arrange for shipment and routing of the Property in accordance with the instructions of Buyer if any set forth on facing page hereof, provided however, if such instructions are unclear, incomplete or impossible of implementation, or if no shipping instructions are set forth on the facing page hereof, Seller may, and is hereby authorized by Buyer to arrange for shipment and routing of the Property as Seller deems appropriate. In no event will Seller be liable for any failure of the carrier to follow shipping instructions of either Buyer or Seller. Charges will be billed freight collect.

6. **Shipment.** Seller may ship the Property in partial shipments. Seller will use reasonable commercial efforts to deliver the Property by the requested delivery date, set forth on the facing page hereof, but will have no liability to Buyer for late shipments.

7. **Title, Risk of Loss and Insurance.** Title to and all risk of loss of or damage to the Property will pass from Seller to Buyer at the shipping point. Unless otherwise expressly agreed in writing, the cost of insurance on the Property while in transit will be borne by Buyer.

8. **Shipping.** All costs of unloading the Property from the carrier upon arrival at the shipping destination and moving the Property to the installation site are for the account of Buyer. Seller has no liability for the Buyer and Buyer assumes all risk of damage to or loss of the Property occurring in connection with such unloading and moving.

9. **Installation.** Buyer will, at its expense, take all necessary steps to prepare the installation site for the installation of the Property. The cost of installation is included in the purchase price of the Property. Installation includes set up, start up and initial adjustment of operating performance. Seller has no responsibility or liability for any failure of any of the Property to meet any applicable codes or standards established by any private organization or any federal, state, county, municipal or other governmental authority; provided, however, that in the event of any such failure to meet such codes or standards, Seller, its delegatee will, at the request of Buyer, make such modifications to any of the Property as may be necessary to bring such Property into compliance with any such codes or standards, unless Seller determines that the cost to Seller of making any such modifications is greater than ten percent (10%) of the purchase price of the Property or that the time required to effect such modifications exceeds the completion of any necessary inspections and the obtaining of any necessary permits or approvals required by law within ninety (90) days. In which case Seller may upon incurring such costs and expenses, cancel this Agreement (less freight charges and applicable offset), cancel this Agreement, in whole or in part without liability to Buyer and provided further, that if Buyer so requests, Seller may, but shall not be obligated to proceed with such modifications at the sole expense of Buyer, payment for which shall be made by Buyer in advance of Seller's performance.

10. **Warranty and Limitation of Liability.** EXCEPT AS MAY OTHERWISE BE SET FORTH IN A WRITTEN WARRANTY OF THE PROPERTY EXECUTED BY SELLER, SELLER MAKES NO WARRANTY, EXPRESS OR IMPLIED, WRITTEN OR ORAL, AND HEREBY EXPRESSLY DISCLAIMS ALL SUCH WARRANTIES, INCLUDING WITHOUT LIMITATION ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE OR PURPOSE. IN NO EVENT SHALL SELLER BE LIABLE FOR ANY INCIDENTAL, SPECIAL, GENERAL, DIRECT OR CONSEQUENTIAL DAMAGES (INCLUDING WITHOUT LIMITATION LOST PROFITS), AND IN NO EVENT SHALL SELLER'S LIABILITY EXCEED THE STATED PURCHASE PRICE OF THE PROPERTY.

11. **Indemnification.** Buyer represents and warrants to Seller that Buyer has good and marketable title to the property being referred to in Item 9.7 on the facing page hereof and that such title is in good operating condition and will be transferred to Seller free and clear of all encumbrances, claims, rights of way or circumstances of any third party. In the event that subsequent to such transfer any third party, including without limitation Amada Capital Corporation ("ACC"), asserts a lien on or other interest in such title, Buyer hereby grants to Seller a license to store any such trade-in on Buyer's premises until such trade-in may be conveniently moved or resold, and Buyer will indemnify and hold Seller harmless from any loss or damage to such trade-in and any claims against Seller arising out of such storage or any unauthorized operation of such trade-in.

12. **Force Majeure.** In the event that Seller or any of its suppliers or delegates is unable to carry out Seller's obligations hereunder due to acts of God or of the public enemy, war, insurrection, riots, strikes, lockouts, labor disputes, fires, floods, earthquakes, natural disasters, unavoidable causality, freight embargoes, shortages of labor or material, changes in governmental policy, laws or regulations (including but not limited to money exchange or transfer restrictions, impositions of quotas or limitation of shipment), or any other cause or causes beyond the control of Seller or its suppliers or delegates, whether or not specified above, Seller may extend the time of performance of its obligations to such extent as may be necessary to enable Seller and its suppliers and delegates to complete performance of the exercise of reasonable diligence after the cause or cause of delay have been removed. In the event of such delay continued for a period of more than six (6) months, either party may terminate its obligations hereunder by so notifying the other party in writing.

13. **Termination.** Upon the occurrence of an Event of Default (as defined in Section B.6) Seller will, in the event that the other rights set forth in this Agreement, have the right to immediately terminate this Agreement as to any un-shipped Property with or without notice of termination.

14. **Indemnification.** Buyer will defend, indemnify and hold Seller harmless from and against any and all claims, liabilities, damages, costs and expenses (including reasonable attorney's fees) arising out of or in connection with any use of the Property by Buyer or any breach of this Agreement by Buyer.

15. **Condition Precedent to Seller's Obligations.** On all installment sales the written approval of ACC (or such other financing company as may be involved) to the terms of this Agreement is a condition precedent to the performance of Seller's obligations under this Agreement, and any of the Property delivered to Buyer prior to the obtaining of such written approval will be deemed to be held by Buyer as a bailee for its own benefit under a bailment revocable at will by Seller.

16. **Financing.** Buyer has sole responsibility for obtaining any necessary financing for the purchase of the Property. Any efforts of Seller to arrange any such financing are solely an accommodation to Buyer and do not obligate Seller in any way.

**B. Security Interest**

1. **Grant of Security Interest.** To secure payment of the purchase price of the Property, Buyer hereby grants to Seller security interest in the Property, and in all accessions thereto and replacements or additions thereto, as well as all proceeds (including insurance proceeds) of the foregoing. The security interest granted herein shall be created and shall be governed by the California Uniform Commercial Code. In addition, the security interest granted herein shall include the full and faithful performance by Buyer and all of Buyer's obligations under this Agreement. Notwithstanding the foregoing, the provisions of this Part B do not apply with respect to COD sales of Property for which payment is actually received by Seller from Buyer prior to or at the time of delivery of the Property to Buyer's facility.

2. **Information Regarding Buyer.** Buyer represents and warrants to Seller that all of the information regarding Buyer set forth on the facing page of this Agreement is true and correct.

3. **Certain Covenants of Buyer.** For so long as any amounts are owed by Buyer to Seller under this Agreement, Buyer (i) shall use the Property in compliance with all applicable laws, regulations and ordinances; (ii) shall maintain the Property in good condition and repair, reasonable wear and tear excepted; (iii) shall pay when due all taxes, charges and impositions on the Property or the ownership, use, disposition or sale of same; (iv) shall keep the Property free of all liens, charges, claims, security interests and encumbrances of any third party; (v) shall permit Seller to inspect the Property, and inspect and make extracts of all of Buyer's books and records relating thereto, during normal business hours; (vi) shall not make any changes in the manner in which the Property is used which in any way affects the value of the Property as collateral; (vii) shall promptly notify Seller in the event of any change in Buyer's legal name or any business or style, the form in which Buyer conducts its business, and the organizational or financial structure of Buyer; (viii) shall promptly furnish to Seller upon request current financial statements of Buyer; and (ix) shall not, without prior written consent of Seller, sell, assign, exchange, lease, lend, lease or the use of property, encumber a security interest in or dispose of the entirety of Buyer's rights therein, or use or operate the Property in a manner other than as intended by Seller, or permit the Property to be used for any purpose other than as a manufacturing facility, including any markings affixed by Seller to the Property or any notice of Seller's security interest thereon or any identifying business, serial number; or, lessening on the Property, or permit the Property to become so altered to really as to become a fixture.

4. **Indemnification.** Buyer shall keep the Property insured against loss or damage from every cause whatsoever, which losses are directly attributable to the use of the Property and not less than the total cash purchase price of the Property, under policies of insurance which losses shall be paid to Seller and resulting from an injury to give Seller not less than thirty (30) days prior written notice of the occurrence of any alteration or cancellation of any such policy. All such insurance policies shall otherwise be in accordance with the terms and conditions of this Agreement.

5. **Time request.** The proceeds of such insurance shall be applied, at the option of replacement, restoration or repair of any Property which is lost, stolen, damaged or destroyed, or in the event of cancellation of such insurance, Buyer hereby irrevocably appoints Seller as its attorney-in-fact, which appointment is coupled with an interest, to make claims to, receive and execute and endorse all documents, checks, or drafts received in payment of any loss under any such policy of insurance. If Buyer fails to procure or maintain such insurance, a telephone Seller for the cost thereof.

6. **Covenants Regarding Location of Property.** Buyer will not remove any of the Property or location at which installed or otherwise change the location of any of the Property without written consent of Seller in each instance. EACH SIGNATORY HERETO WILL BE LIABLE TO SELLER FOR ANY AND ALL LOSS OR DAMAGE SUSTAINED BY SELLER AS A RESULT OF ANY CHANGE IN LOCATION OF THE PROPERTY WITHOUT THE PRIOR WRITTEN CONSENT OF SELLER, SPECIFICALLY INCLUDING, WITHOUT LIMITATION, ANY DAMAGE AT LOSS OF PERFECTION OF SELLER'S OR ACC'S SECURITY INTEREST IN THE PROPERTY.

7. **Default.** The occurrence of any of the following shall constitute an Event of Default by Buyer in the payment, when due, of payment of the purchase price of the Property, or interest in interest thereon, or any part thereof, or payment in full of this Agreement or any other agreement with Seller or with respect to Buyer or otherwise, which breach is not cured within ten (10) days following notice thereof by Seller to Buyer; (a) the issuance or entry of injunction or attachment against Buyer, the Property or any other property of Buyer; (b) any notice of bulk sale or intended bulk sale by Buyer; (c) the appointment of a receiver of creditors or liquidating agents, the offering of a composition or extension to creditors, an assignment for the benefit of creditors or the commencement of any proceeding, such as reorganization, dissolution or liquidation under any bankruptcy or other laws relating thereto, to the extent that any of the foregoing is by, or on behalf of or with respect to Buyer; (d) the insolvency of Buyer, the suspension, termination, discharge or unenforceability executed in favor of Seller with respect to any of the obligations secured thereby; or (e) the condition or affairs financial or otherwise of Buyer which in the good faith of Seller creates a reasonable doubt of Buyer's ability to pay its debts as they become due.

8. **Remedies on Default.** Upon the occurrence of an Event of Default, or at any time it is determined that there are any or all of the following rights and remedies; (a) Seller shall have all of the remedies of a secured party under the Uniform Commercial Code as to effect in any manner which enforcement hereof is sought; (b) Seller may, at its option, accelerate and declare indebtedness secured hereby to be immediately due and payable; (c) Seller shall have all immediate and exclusive possession of any and all of the Property, whenever to Seller in accordance with the Uniform Commercial Code; (d) Seller may require Buyer, at Buyer's expense, to remove the Property from such location for disposition or proceed to liquidate other Property from such location; (e) Seller may require Buyer, at Buyer's expense, to remove the Property and make it available to Seller at any mutually convenient location reasonable to Seller; (f) Seller may, in its sole discretion, any time and from time to time, give notice to Buyer of the intent to transfer title of all or a portion of the interest of Seller in the Property to a third party to be reasonably acceptable, hereinafter referred to as "Buyer's assignee" as Seller may consider appropriate, or sell, resell, transfer, assign, dispose of and deal with the Property, in one or more parcels, at the same or different times, and at right, if there is, at public or private sale, for cash, upon credit or for future delivery, and at such time as Seller may determine; (g) in connection with any disposition for and purchase of a Property, and by such purchase acquire all right, title and interest therein; (h) Seller may, and on behalf of Buyer, make and deliver to any purchaser of any of the Property a sufficient bill of sale or other evidence of transfer of all right, title and interest in and to such purchaser; and (i) Seller may in its own name or to the name of and on behalf of and all actions required to cure any such Event of Default, and all sums expended by Seller in such cure shall be secured hereby.

9. **Application of Proceeds.** The net proceeds realized upon any liquidation or disposition of the Property, after deduction for the expense of retaining, holding, preparing for sale or leasing and the like, and the reasonable attorney's fees and legal expenses and costs in connection therewith, shall be applied for the payment of retainage, holding, preparing for sale or leasing and the like, and the reasonable attorney's fees and legal expenses and costs in connection therewith, and for the satisfaction of the obligations of Buyer secured under this Agreement in such order as is appropriate by Seller. Any surplus of such proceeds shall be paid to the person or entitled thereto, and the Buyer shall be liable to Seller for and shall immediately pay to Seller the amount of any deficiency.

10. **Assignment.** Except as to the notice of intention to dispose of Property prior to the date of sale, seller shall exercise all of its rights and remedies without demand, advertisement or notice as may be required by law. To the fullest extent permitted by law, Buyer's waiver of protest, notice of acceptance of this Agreement or other action taken in reliance hereon demands and notices of any description.

11. **Financing Statements.** Fixture filings and further assurances. Buyer hereby authorizes and approves the financing statements authenticated records, and fixture filings at any time to any of the Property, in each case without Buyer's signature to the extent permitted Seller's request. Buyer shall execute one or more financing statements, fixture filing statements or other filings pursuant to the Uniform Commercial Code in form satisfied by Buyer shall take any and all steps required by Seller to maintain perfection of the security interest granted hereunder, or to fully assure to Seller its rights under this Agreement.

**C. Assignment**

1. **Assignment to Amada Capital Corporation.** Unless otherwise agreed by the parties, Seller may at any time assign this Agreement and its rights hereunder, in whole or in part, to Buyer hereby waives any right to assert against ACC any claims, defenses or offsets which may be against Seller, and Buyer hereby expressly agrees not to assert any such claim offsets against ACC.

2. **Assignment by Buyer.** Buyer may not assign, delegate or transfer any of its rights, in whole or in part, under this Agreement to any third party without the prior written consent of Seller.

**D. Miscellaneous**

1. **The order of application of Buyer payments.** At the discretion of Seller, Seller may apply and all of a Buyer's payment to any outstanding balances owing by Seller including to Buyer late charges.

2. **Notices.** All notices, demands or consents required or permitted to be given under this Agreement shall be in writing and shall be deemed effective upon delivery if delivered personally after mailing, if sent by first class United States mail, postage prepaid, addressed to the party set forth herein or to such other address as shall be given by either party to the other.

3. **Waiver, Amendment or Modification.** No waiver, amendment or modification of any right or of any right or remedy hereunder shall be effective unless in writing and signed to be bound. No failure by Seller to exercise, and no delay by Seller in exercising, any remedy granted hereunder shall operate as a waiver of any such right, power or remedy by Seller on any one occasion shall not be construed as a bar to a right or remedy on any future occasion. All rights and remedies of Seller are separate and the exercise of any right or remedy shall not limit or prejudice the exercise of another remedy.

4. **Court Jurisdiction.** Any controversy, claim, action or dispute arising out of or relating to this Agreement will be subject to the laws of the State of California and the parties hereto agree that being adjudicated in the jurisdiction of California.

5. **Attorneys' Fees.** In the event any arbitration or judicial action or proceeding is initiated to any matters relating to this Agreement or in the event either party seeks relief from the laws of 11 U.S.C. Section 362 (or any successor statute thereto), then the party in whose favor the award shall be given or any relief shall be granted or judgment shall be entered shall recover from the other party all costs and expenses (including attorneys' fees) incurred in defending and any appeal therefrom.

6. **Severability.** In the event any provision or portion of any provision of this Agreement by a court of competent jurisdiction to be unenforceable or invalid, the remaining provisions shall remain in full force and effect.

7. **Entire Agreement.** Notwithstanding any purchase order submitted by Buyer set forth on the facing page hereto or attached hereto, this Agreement constitutes the entire agreement between Buyer and Seller pertaining to the subject matter hereof. Any and all agreements or understandings heretofore existing between the parties pertaining to the subject matter are expressly superseded and canceled by this Agreement.

8. **Term of the License.** Except as to the provisions of this Agreement relating to shipping, delivery, time of the essence with respect to each of the terms, covenants and covenants of this Agreement.

9. **Binding Effect.** Subject to Part C of this Agreement, this Agreement shall be binding upon the parties and their legal representatives, successors and assigns.

10. **Headings.** Headings contained in this Agreement are for purposes of convenience and not part of this Agreement.

7025 Firestone Blvd., Buena Park, CA 90620

## EQUIPMENT PURCHASE AND SECURITY AGREEMENT

Buyer (described in Item 1.A. below) agrees to purchase from AMADA AMERICA, INC. ("Seller") and Seller agrees to sell to Buyer for bush only the equipment and other personal property described in Item 3, below ("Property"), on the terms and conditions set forth in this including without limitation the terms and conditions set forth on the reverse hereof.

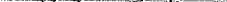
TYPE OR PRINT ONLY

NOTE: Section B.4 on the reverse hereof sets forth certain requirements for insurance which must be provided by Buyer. Please review these requirements carefully with your insurance provider.

Buyer agrees to the terms and conditions set forth herein and on the reverse side of this Agreement. BY ITS EXECUTION BUYER ACKNOWLEDGES THAT BUYER HAS READ AND UNDERSTANDS THE TERMS AND CONDITIONS ON THE REVERSE SIDE OF THIS AGREEMENT, INCLUDING WITHOUT LIMITATION THE WARRANTY DISCLAIMERS AND LIMITATION OF LIABILITY SET FORTH IN SECTION A.16, AND THE JURISDICTION PROVISIONS SET FORTH IN SECTIONS D.4, RESPECTIVELY, AND UNDERSTANDS THAT THE AGREEMENT CREATES A SECURITY INTEREST IN THE PROPERTY.

If Buyer has elected to purchase the Property on an Installment payment basis, Buyer acknowledges that Seller has offered both a cash purchase and an installment payment purchase price to Buyer and that Buyer has made its election based on a comparison of these prices. Buyer authorizes Seller to fill in the blank, including without limitation the date of first payment in Item 2.C, and correct any typographical or other error on the facing page of this Agreement by Seller.

This Agreement shall not be binding upon Seller until executed by a duly authorized officer or manager of Seller in Buena Park, California. NO REP  
OR WARRANTY RELATING TO THE TRANSACTION CONTEMPLATED BY THIS AGREEMENT IS BINDING ON OR ENFORCEABLE AGAINST SE  
SET FORTH IN THIS AGREEMENT.

BUYER (IDENTIFIED IN ITEM 1A, ABOVE) BY  TITLE President DATE 7/1/2010

## A. Terms and Conditions of Sale

1. **Price and Price Adjustments.** The cash purchase price of the Property is FOB point of shipment from within the United States, designated by Seller, and is due for thirty (30) days after the date of execution of this Agreement. By Seller's written notice Seller may, in its discretion, adjust the purchase price of any unsold/sold Property to reflect cost increases and changes in market conditions. Seller will give Buyer written notice of any such price adjustments. Unless within seven (7) days after receiving such notice Buyer gives Seller written notice of any objections to any such price adjustment, Buyer will be deemed to have waived all such objections.

2. **Taxes.** The cash purchase price of the Property is exclusive of any and all excise, sales, use or other taxes levied by any federal, state, county, municipal or other governmental authorities, all of which are for the account of Buyer. Seller is authorized to make payment of any such taxes directly to the taxing authority, and Buyer will reimburse Seller therefor. Such reimbursement will be made on demand unless otherwise expressly agreed in writing. If Buyer claims an exemption from such taxes, Buyer must provide evidence of such exemption acceptable to Seller.

3. **Freight Charges.** Freight charges for shipment of the Property to Buyer, including taxes on freight charges, if any, are for the account of Buyer and will be billed freight collect. Freight charges for loading and unloading will be separately invoiced to Buyer and are payable not 30 days from the date of invoice unless otherwise agreed in writing.

4. **Late Charges.** Any payment of Buyer not received by the ninth (9th) day following the date due will be subject to a late charge of five percent (5%) of the amount due as liquidated damages.

5. **Shipping Instructions.** Seller will arrange for shipment and routing of the Property in accordance with the instructions of Buyer (if any) set forth on the facing page hereof. If such instructions are unclear, incomplete or impractical or if instructions are given in conflict with the instructions set forth on the facing page hereof, Seller may, and is hereby authorized by Buyer, to make changes for shipment and routing of the Property as Seller deems appropriate. In no event will Seller be liable for any failure of the carrier to follow shipping instructions of either Buyer or Seller. Charges will be billed freight collect.

6. **Shipment.** Seller may ship the Property in partial shipments. Seller will use reasonable commercial efforts to deliver the Property by the requested delivery date, set forth on the facing page hereof, but will have no liability to Buyer for late shipments.

7. **Title, Risk of Loss and Insurance.** Title to and all risk of loss or damage to the Property will pass from Seller to Buyer at the shipping point. Unless otherwise expressly agreed in writing, the cost of insurance on the Property while in transit will be borne by Buyer.

8. **Shipping.** All costs of unloading the Property from the carrier upon arrival at the shipping destination and moving the Property to the installation site are for the account of Buyer. Seller has no liability for the Buyer and Buyer assumes all risk of damage to or loss of the Property occurring in connection with such unloading and moving.

9. **Installation.** Seller will, at its expense, take all necessary steps to prepare the installation site for the installation of the Property. The cost of installation is included in the purchase price of the Property. Installation includes set up, start up and initial adjustment of operating performance. Seller has no responsibility or liability for any failure of any of the Property to meet any applicable codes or standards established by any private organization or any federal, state, county, municipal or other governmental authority; provided, however, that in the event of any such failure to meet such codes or standards, Seller, at the request of Buyer, may make such modifications to any of the Property to meet such codes or standards, unless Seller determines that the cost to Seller of such modifications and any resulting downtime is expected to exceed ten percent (10%) of the purchase price of the Property or that the time required to effect such compliance (including the completion of any necessary inspections and the obtaining of any necessary permits or approvals) is expected to exceed ninety (90) days, in which case Seller may upon refunding to Buyer payments received in respect of the canceled portion of this Agreement (less freight charges and applicable offsets), cancel this Agreement in whole or in part without further liability to Buyer. Seller may, at its option, cancel this Agreement if Buyer fails to pay Seller any amounts due to Seller, including, without limitation, that if Buyer so requests, Seller may, but shall not be obligated to, proceed with such modifications at the sole expense of Buyer, payment for which shall be made by Buyer in advance of Seller's performance.

10. **Warranty and Limitation of Liability.** EXCEPT AS MAY OTHERWISE BE SET FORTH IN A WRITTEN WARRANTY OF THE PROPERTY EXECUTED BY SELLER, SELLER MAKES NO WARRANTY, EXPRESS OR IMPLIED, WRITTEN OR ORAL, AND HEREBY EXPRESSLY DISCLAIMS ALL SUCH WARRANTIES, EXCLUDING WITHOUT LIMITATION ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE OR PURPOSE. IN NO EVENT SHALL SELLER BE LIABLE FOR ANY INCIDENTAL, SPECIAL, DIRECT, INDIRECT OR CONSEQUENTIAL DAMAGES (INCLUDING WITHOUT LIMITATION LOST PROFITS), AND IN NO EVENT SHALL SELLER'S LIABILITY EXCEED THE STATED PURCHASE PRICE OF THE PROPERTY.

11. **Trade-Ins.** Buyer represents and warrants to Seller that Buyer has good and marketable title to any trade-in, referred to in Item 3.F on the facing page hereof, and that any such trade-in is in good operating condition and will be transferred to Seller free and clear of all claims, liens, charges, or security interests of any third party. In the event that subsequent to such transfer to another third party, including without limitation, Amazon.com, Corporation ("ACC"), asserts a lien on or other interest in such trade-in, Buyer hereby grants to Seller the right to repossess such trade-in on Buyer's premises until such trade-in may be conveniently removed or resold, and Buyer will indemnify and hold Seller harmless from any loss or damage to such trade-in and any claims against Seller arising out of such storage or unauthorized operation of such trade-in.

12. **Force Majeure.** In the event that Seller or any of its suppliers or delegates is unable to carry out Seller's obligations hereunder due to acts of God, acts of public enemy, war, revolution, riots, strikes, lockouts, labor disputes, fire, floods, earthquakes, natural disasters, unpredictable weather, freight embargoes, shortages of labor or material, changes in governmental policy, laws or regulations (including but not limited to money exchange or travel restrictions, impositions of quotas or limitation of shipments), or any other cause or causes beyond the control of Seller or its suppliers or delegates, whether or not specified above, Seller may extend the time of performance of its obligations to such extent as may be necessary to enable Seller and its suppliers and delegates to complete performance with the exercise of reasonable diligence after the cause or causes of delay have been removed. In the event my such delay continues for a period of more than (6) months, either party may terminate its obligations hereunder by so notifying the other party in writing.

13. **Termination.** Upon the occurrence of an Event of Default as defined in Section 8.B, Seller will, in addition to the other rights set forth in this Agreement, have the right to immediately terminate this Agreement as to any un-shipped Property with or without notice of termination.

14. **Indemnification.** Buyer will defend, indemnify and hold Seller harmless from and against any and all claims, liabilities, damages, costs and expenses (including reasonable attorney's fees) arising out of or in connection with any use of the Property by Buyer or any breach of this Agreement by Buyer.

15. **Condition Precedent to Seller's Obligations.** On all installment sales the written approval of ACC for such other financing company as may be involved in the terms of this Agreement is a condition precedent to the performance of Seller's obligations under this Agreement, and any of the Property delivered to Buyer prior to the obtaining of such written approval will be deemed to be held by Buyer as a bailee for its own benefit under a bailment revocable at will by Seller.

16. **Financing.** Buyer has sole responsibility for obtaining any necessary financing for the purchase of the Property. Any efforts of Seller to arrange any such financing are solely an accommodation to Buyer and do not obligate Seller in any way.

## B. Security Interest

1. **Grant of Security Interest.** In securing payment of the purchase price of the Property, Buyer hereby grants to Seller a security interest in the Property, and in all accessions thereto and replacements or modifications thereto, as well as in all proceeds of such property, for the foregoing. The security interest granted hereby constitutes a purchase money security interest under the Uniform Commercial Code. In addition the security interest granted hereby shall secure the full and faithful performance by Buyer and all of Buyer's obligations under this Agreement. Notwithstanding the foregoing, the provisions of this Part B do not apply with respect to COD sales of Property for which payment is actually received by Seller from Buyer prior to or at the time of delivery of the Property to Buyer's facility.

2. **Information Regarding Buyer.** Buyer represents and warrants to Seller that all of the information regarding Buyer set forth on the facing page of this Agreement is true and correct.

3. **Certain Covenants of Buyer.** For so long as any amounts are owed by Buyer to Seller under this Agreement, Buyer will shall use the Property in compliance with all applicable laws, regulations and ordinances. (a) shall maintain the Property in good condition and repair, reasonable wear and tear excepted; (b) shall pay when due all taxes, charges and impositions on the Property or the ownership, use, disposition or sale of same; (d) shall keep the Property free of all liens, charges, claims, security interests and other encumbrances, except for such items as Seller may reasonably require; (e) shall inspect and make extracts of all of Buyer's books and records relating to the Property, and shall have the right to do so at any time; (f) shall promptly notify Seller of the occurrence of any events which materially and adversely affect the value of the Property as collateral; (g) shall promptly notify Seller in writing of any change of Buyer's legal name or any business name, the form in which Buyer conducts in business, and any information in the Property; (h) shall not make any other prior written or oral agreement with respect to the Property; (i) shall not assign, transfer, lease, sublease, or otherwise dispose of the Property or Buyer's rights thereto, or use or operate the Property in a manner other than as intended by the parties; (j) shall not violate any of Buyer's rights under any insurance policy covering the Property, or remove or otherwise impair the property rights of Seller; (k) shall not make any other agreement with respect to the Property or give notice of Seller's security interest therein or any other identifying features, serial number, or lettering on the Property, or permit the Property to become so altered as to render it a fixture.

4. **Insurance.** Buyer shall keep the Property insured against all risk of loss or damage from every cause whatsoever for which insurance is commercially available, in a coverage amount not less than the total cash purchase price of the Property, under policies providing that losses shall be payable to Seller and naming the Seller as the sole beneficiary. Such policies shall be issued by insurance companies acceptable to Seller and insurance and with companies satisfactory to Seller. Buyer shall deliver such insurance policies to Seller, or shall furnish to Seller such other evidence of insurance as Seller may from time to

time request. The proceeds of such insurance shall be applied, at the option of Seller, to replacement, restoration or repair of any Property which is lost, stolen, damaged or destroyed or payment of the obligations of Buyer hereunder. Buyer hereby irrevocably appoints Seller attorney-in-fact, which appointment is coupled with an interest, to make claims for and execute and endorse all documents, checks, or drafts received in payment of any amount under any such policy of insurance. Buyer fails to procure or maintain such insurance, Seller has the right, but shall not be obligated, to obtain and maintain such insurance and reimburse Seller for the cost thereof.

5. **Covenants Regarding Location of Property.** Buyer will not remove any of the Property at which installed or otherwise change the location of any of the Property without written consent of Seller in each instance. EACH SIGNATORY (HERETO WILL BE LIABLE TO SELLER FOR ANY AND ALL LOSS OR DAMAGE SUSTAINED BY SELLER AS A RESULT OF A CHANGE IN LOCATION OF THE PROPERTY WITHOUT THE PRIOR WRITTEN CONSENT OF SELLER, SPECIFICALLY INCLUDING, WITHOUT LIMITATION, ANY DAMAGE AT LOSS OF PERFECTION OF SELLER'S OR ACC'S SECURITY INTEREST IN THE PROPERTY.

6. **Default.** The occurrence of any of the following shall constitute an Event of Default by Buyer in the payment, when due or payable, of the purchase price of the Property or interest or thereof or interest thereon; (b) any breach of Buyer of any representation, warranty or agreement (other than as to payment) set forth in this Agreement or any other agreement by Buyer; (c) any failure by Seller to pay or satisfy by operation of law or otherwise, which breach is not cured within thirty (30) days after notice by Seller to Buyer; (d) the issuance or attachment of any injunction or attachment against Buyer or any of its property or property of Buyer; (e) any notice of bulk sale or intended bulk sale by Buyer; (f) the appointment of a trustee or creditors or liquidating agents, the offering of a competition or extension to creditors an assignment for the benefit of creditors or the commencement of any proceeding, reorganization, dissolution or liquidation under any bankruptcy or other laws relating debtors, to the extent that any of the foregoing is by, for, on behalf of or with respect to insolvency of Buyer, the suspension, termination, discharge or unenforceability of executed in favor of Seller with respect to any of the obligations secured hereby; or the condition or affairs financial or otherwise of Buyer which in the good faith determine Seller's security or increase its risk.

7. **Remedies on Default.** Upon the occurrence of an Event of Default, or at any time the Event of Default shall be continuing, in addition to any other rights or remedies Seller shall have, Seller shall have all of remedies of a secured party under the Uniform Commercial Code as in effect in any state where enforcement thereof is sought; (a) Seller may, at its option, accelerate and declare indebtedness secured hereby to be immediately due and payable; (b) Seller shall have immediate and exclusive possession of any and all of the Property, wherever located, including title to and for its purpose Seller may, in within judicial process without prior notice, enter upon the premises where such Property may be located from such location for disposition or proceed to liquidate or otherwise dispose of the Property; (c) Seller may repossess Buyer's or Buyer's agent's or bailee's property and make it available to Seller in any reasonable manner; (d) Seller may, in its sole discretion, sue and from time to time, but only if it is hereby agreed to be reasonable notice, lease any of the Property on such terms and as Seller may consider appropriate, or sell, resell, transfer, assign, dispose of and/or delinquent in payment of any amount due to Seller for the Property, in one or more parcels, at the same or different times, and at all times, at public or private sale, for cash, upon credit or for future delivery, and at such time as Seller may determine; (e) in connection with any disposition for or purchase of Property, and by such purchase acquire all right, title and interest therein; (f) Seller may, on behalf of Buyer, make and deliver to any purchaser of any of the Property a written notice of assignment of title to such purchaser; and (g) Seller may in its own name or in the name of and on behalf of all actions required to cure any such Event of Default, and all sums expended by Seller in connection therewith shall be secured hereby.

8. **Application of Proceeds.** The net proceeds realized upon any liquidation or disposition of Property, after deduction for the expense of holding, holding, preparing for sale or leasing and the like, and the reasonable attorney's fees and legal expenses and costs of collection, shall be applied by Seller in the following order of priority in satisfaction of the obligations of Buyer secured under this Agreement in the order as it is specified by Seller. Any surplus of such proceeds shall be paid to the person or entity entitled thereto, and the Buyer shall be liable to Seller for and shall immediately pay an amount of any deficiency.

9. **Buyer's Waiver.** Except as to the notice of intention to dispose of Property prior to the sale, Buyer may exercise any of its rights and remedies without demand, advertisement or notice as may be required by law. In the fullest extent permitted by law, Buyer waives all notice of acceptance of this Agreement or other action taken in reliance hereon. Demands and notices of any description.

10. **Financing Statements.** Fixture filings and further assurances. Buyer hereby will execute and file financing statements authenticated records, and fixture filings at any time to any of the Property, in each case without Buyer's signature to the extent permitted Seller's request. Buyer shall execute one or more financing statements. Fixture filings statements or other filings pursuant to the Uniform Commercial Code in form satisfactory to Seller. Buyer shall take any and all steps required by Seller to maintain perfection of the security interest granted hereunder, or to fully assure to Seller its rights under this Agreement.

## C. Assignment

1. **Assignment to Amazon Capital Corporation.** Unless otherwise agreed by the parties, Seller may at any time assign this Agreement and its rights hereunder, in whole or in part, to Buyer hereby waives any right to assert against ACC any claims, defenses or offsets it may have against Seller, and Buyer hereby expressly agrees not to assert any such claim offsets against ACC.

2. **Assignment by Buyer.** Buyer may not assign, delegate or transfer any of its rights, under this Agreement to any third party without the prior written consent of Seller.

## D. Miscellaneous

1. **The order of application of Buyer payments.** The order of application of Buyer payments is at the discretion of Seller. Seller may apply all or a portion of Buyer's payment to any outstanding balances owing by Seller including to Buyer for late charges.

2. **Notices.** All notices, demands or consents required or permitted to be given under this Agreement shall be in writing and shall be deemed effective upon delivery if delivered personally; after mailing if sent by first class United States mail, postage prepaid, addressed to the address set forth herein or to such other address as shall be given by either party to the other.

3. **Waiver, Amendment or Modification.** No waiver, amendment or modification of hereof or of any right or remedy hereunder shall be effective unless in writing and signed by the party to whom it is directed. Any failure by Seller to exercise, and no delay by Seller in exercising, any remedy granted hereunder shall operate as a waiver of any such right, power or remedy any right or remedy by Seller on any one occasion shall not be construed as a bar to or a right or remedy on any future occasion. All rights and remedies of Seller are separate and the exercise of any right or remedy shall not limit or preclude the exercise of any remedy.

4. **Court Jurisdiction.** Any controversy, claim, action or dispute arising out of or relating to this Agreement will be subject to the laws of the State of California and the parties hereto consent to the jurisdiction of the courts of the State of California.

5. **Attorneys' Fees.** In the event any arbitration or judicial action or proceeding is initiated to any matters relating to this Agreement or in the event either party seeks relief from the 11 U.S.C. Section 362 (or any successor statute thereto), then the party in whose favor the award shall be given or any relief shall be granted or judgment shall be entered shall recover from the other party all costs and expenses (including attorneys' fees incurred in proceeding and any appeal therefrom).

6. **Separability.** In the event any provision or portion of any provision of this Agreement is held to be unenforceable or invalid, the remaining provisions thereof shall remain in full force and effect.

7. **Entire Agreement.** Notwithstanding any purchase order submitted by Buyer which is on the facing page hereof or attached hereto, this Agreement constitutes the entire agreement between Buyer and Seller pertaining to the subject matter hereof. Any and all agreements or understandings heretofore existing between the parties pertaining to the subject matter are expressly superseded and canceled by this Agreement.

8. **Timing is of the Essence.** Except as to the provisions of this Agreement relating to cash payment delays, timing is of the essence with respect to each of the terms, conditions and covenants of this Agreement.

9. **Binding Effect.** Subject to Part C of this Agreement, this Agreement shall be binding upon the parties to the benefit of the parties and their legal representatives, successors and assigns.

10. **Headings.** Headings contained in this Agreement are for purposes of convenience and are not part of this Agreement.

## UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

DATE 05/27 PM 4:30

A. NAME &amp; PHONE OF CONTACT AT FILER [optional]

ELSIE HORST

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

AMADA CAPITAL CORPORATION  
7025 FIRESTONE BLVD  
BUENA PARK, CA 90621

UCU107/27/08:05:4450:  
20.00 MD  
SOSIL 14:11 11190731 FS

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME		1b. INDIVIDUAL'S LAST NAME			FIRST NAME	MIDDLE NAME	SUFFIX	
PRECISION AMERICAN METALS, LLC								
OR								
1c. MAILING ADDRESS					CITY	STATE	POSTAL CODE	COUNTRY
1050 KINGSLAND DRIVE					BATAVIA	IL	60510	USA
1d. SEE INSTRUCTIONS		ADD'L INFO RE ORGANIZATION DEBTOR	1e. TYPE OF ORGANIZATION	1f. JURISDICTION OF ORGANIZATION			1g. ORGANIZATIONAL ID #, if any	
		LLC	LLC	IL			01876643	
							<input type="checkbox"/> NONE	

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME		2b. INDIVIDUAL'S LAST NAME			FIRST NAME	MIDDLE NAME	SUFFIX	
OR								
2c. MAILING ADDRESS					CITY	STATE	POSTAL CODE	COUNTRY
2d. SEE INSTRUCTIONS		ADD'L INFO RE ORGANIZATION DEBTOR	2e. TYPE OF ORGANIZATION	2f. JURISDICTION OF ORGANIZATION			2g. ORGANIZATIONAL ID #, if any	
							<input type="checkbox"/> NONE	

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR, S/P) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME		3b. INDIVIDUAL'S LAST NAME			FIRST NAME	MIDDLE NAME	SUFFIX	
AMADA CAPITAL CORPORATION								
OR								
3c. MAILING ADDRESS					CITY	STATE	POSTAL CODE	COUNTRY
7025 FIRESTONE BLVD					BUENA PARK	CA	90621	USA

4. This FINANCING STATEMENT covers the following collateral:

ONE AMADA TOOL GRINDER, MODEL TOGUIII, COMPLETE WITH ALL ATTACHMENTS NOW OWNED OR HEREAFTER ACQUIRED.

THE UNDERSIGNED HEREBY GRANTS THE SECURITY INTEREST IN THE ABOVE REFERENCED EQUIPMENT TO SECURE PAYMENT OF ITS FULL PURCHASE PRICE.

5. ALTERNATIVE DESIGNATION (if applicable):	<input type="checkbox"/> LESSEE/LESSOR	<input type="checkbox"/> CONSIGNEE/CONSIGNOR	<input type="checkbox"/> BAILEE/BAILOR	<input type="checkbox"/> SELLER/BUYER	<input type="checkbox"/> AG. LIEN	<input type="checkbox"/> NON-UCC FILING	
6. <input type="checkbox"/> This FINANCING STATEMENT is to be filed (or record) (or recorded) in the REAL ESTATE RECORDS. Attach Addendum.	7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) (if applicable)		OPTIONAL		All Debtors	Debtor 1	Debtor 2

8. OPTIONAL FILER REFERENCE DATA

PRECISION AMERICAN METALS, LLC

## UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

2008 03 27 PM 4:30

A. NAME &amp; PHONE OF CONTACT AT FILER (optional)

ELSIE HORST

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

AMADA CAPITAL CORPORATION  
7025 FIRESTONE BLVD  
BUENA PARK, CA 90621

UCU107/27/08:05:4453:  
20.00 MD  
SOSIL 14:11 11190774 FS

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME		1b. INDIVIDUAL'S LAST NAME			FIRST NAME	MIDDLE NAME	SUFFIX	
PRECISION AMERICAN METALS, LLC								
OR								
1c. MAILING ADDRESS		1d. SEE INSTRUCTIONS			CITY	STATE	POSTAL CODE	COUNTRY
1050 KINGSLAND DRIVE		ADD'L INFO RE ORGANIZATION DEBTOR			BATAVIA	IL	60510	USA
		1e. TYPE OF ORGANIZATION			1f. JURISDICTION OF ORGANIZATION	1g. ORGANIZATIONAL ID #, if any		
		LLC			IL	01876643 <input type="checkbox"/> NONE		

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME		2b. INDIVIDUAL'S LAST NAME			FIRST NAME	MIDDLE NAME	SUFFIX	
OR								
2c. MAILING ADDRESS		2d. SEE INSTRUCTIONS			CITY	STATE	POSTAL CODE	COUNTRY
7025 FIRESTONE BLVD		ADD'L INFO RE ORGANIZATION DEBTOR			BUENA PARK	CA	90621	USA
		2e. TYPE OF ORGANIZATION			2f. JURISDICTION OF ORGANIZATION	2g. ORGANIZATIONAL ID #, if any		
						<input type="checkbox"/> NONE		

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME		3b. INDIVIDUAL'S LAST NAME			FIRST NAME	MIDDLE NAME	SUFFIX	
AMADA CAPITAL CORPORATION								
OR								
3c. MAILING ADDRESS		3d. SEE INSTRUCTIONS			CITY	STATE	POSTAL CODE	COUNTRY
7025 FIRESTONE BLVD		ADD'L INFO RE ORGANIZATION DEBTOR			BUENA PARK	CA	90621	USA

4. This FINANCING STATEMENT covers the following collateral:

ONE AMADA SPOT WELDER, MODEL ID40ST, COMPLETE WITH ALL ATTACHMENTS NOW OWNED OR HEREAFTER ACQUIRED.

THE UNDERSIGNED HEREBY GRANTS THE SECURITY INTEREST IN THE ABOVE REFERENCED EQUIPMENT TO SECURE PAYMENT OF ITS FULL PURCHASE PRICE.

5. ALTERNATIVE DESIGNATION (if applicable):  LESSEE/LESSOR  CONSIGNEE/CONSIGNOR  BAILEE/BAILOR  SELLER/BUYER  AG. LIEN  NON-UCC FILING6.  This FINANCING STATEMENT is to be filed (or record) (or recorded) in the REAL ESTATE RECORDS. Attach Addendum.  Check to REQUEST SEARCH REPORT(S) on Debtor(s) (if applicable) (ADDITIONAL FEE)  optional  All Debtors  Debtor 1  Debtor 2

8. OPTIONAL FILER REFERENCE DATA

PRECISION AMERICAN METALS, LLC

SECRETARY OF STATE  
UNIFORM COMM. CODE DIV.

## UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME &amp; PHONE OF CONTACT AT FILER (optional)

ELSIE HORST

2008 JUN 27 PM 4:30

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

AMADA CAPITAL CORPORATION  
7025 FIRESTONE BLVD  
BUENA PARK, CA 90621UCU102/27/08:05:4455:  
SOSIC 14:11 11190790 FS

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME		FIRST NAME			MIDDLE NAME		SUFFIX	
OR	1b. INDIVIDUAL'S LAST NAME							
1c. MAILING ADDRESS		CITY		STATE	POSTAL CODE		COUNTRY	
1050 KINGSLAND DRIVE		BATAVIA		IL	60510		USA	
1d. SEE INSTRUCTIONS		1e. TYPE OF ORGANIZATION		1f. JURISDICTION OF ORGANIZATION		1g. ORGANIZATIONAL ID #, if any		
		ORGANIZATION		IL		01876643		
		DEBTOR		LLC		<input type="checkbox"/> NONE		

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME		FIRST NAME			MIDDLE NAME		SUFFIX	
OR	2b. INDIVIDUAL'S LAST NAME							
2c. MAILING ADDRESS		CITY		STATE	POSTAL CODE		COUNTRY	
2d. SEE INSTRUCTIONS		2e. TYPE OF ORGANIZATION		2f. JURISDICTION OF ORGANIZATION		2g. ORGANIZATIONAL ID #, if any		
		ORGANIZATION		IL		<input type="checkbox"/> NONE		
		DEBTOR		LLC				

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME		FIRST NAME			MIDDLE NAME		SUFFIX	
OR	3b. INDIVIDUAL'S LAST NAME							
3c. MAILING ADDRESS		CITY		STATE	POSTAL CODE		COUNTRY	
7025 FIRESTONE BLVD		BUENA PARK		CA	90621		USA	

4. This FINANCING STATEMENT covers the following collateral:

ONE AMADA SOFTWARE PACKAGE COMPLETE WITH ALL ATTACHMENTS NOW OWNED OR HEREAFTER ACQUIRED.

THE UNDERSIGNED HEREBY GRANTS THE SECURITY INTEREST IN THE ABOVE REFERENCED EQUIPMENT TO SECURE PAYMENT OF ITS FULL PURCHASE PRICE.

5. ALTERNATIVE DESIGNATION (if applicable):  LESSEE/LESSOR  CONSIGNEE/CONSIGNOR  BAILEE/BAILOR  SELLER/BUYER  AG. LIEN  NON-UCC FILING

6.  This FINANCING STATEMENT is to be filed (or record) (or recorded) in the REAL ESTATE RECORDS. Attach Addendum  This is (if applicable) ADDITIONAL FEE  REQUEST SEARCH REPORT(S) on Debtor(s) (optional)  All Debtors  Debtor 1  Debtor 2

B. OPTIONAL FILER REFERENCE DATA

PRECISION AMERICAN METALS, LLC

## UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME &amp; PHONE OF CONTACT AT FILER (optional)

ELSIE HORST

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

AMADA CAPITAL CORPORATION  
7025 FIRESTONE BLVD.  
BUENA PARK, CA 90621

UCU107/27/08 05:4452:  
20.00 MB  
5051 14:11 11190766 FS

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME

PRECISION AMERICAN METALS, LLC

OR	1b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX	
1c. MAILING ADDRESS	1050 KINGSLAND DRIVE	CITY	STATE	POSTAL CODE	COUNTRY
1d. SEE INSTRUCTIONS	ADD'L INFO RE ORGANIZATION DEBTOR	1e. TYPE OF ORGANIZATION	1f. JURISDICTION OF ORGANIZATION	1g. ORGANIZATIONAL ID #, if any	<input type="checkbox"/> NONE
		LLC	IL	01876643	

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME

OR	2b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX	
2c. MAILING ADDRESS		CITY	STATE	POSTAL CODE	COUNTRY
2d. SEE INSTRUCTIONS	ADD'L INFO RE ORGANIZATION DEBTOR	2e. TYPE OF ORGANIZATION	2f. JURISDICTION OF ORGANIZATION	2g. ORGANIZATIONAL ID #, if any	<input type="checkbox"/> NONE

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME

OR	3b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX	
3c. MAILING ADDRESS	7025 FIRESTONE BLVD.	CITY	STATE	POSTAL CODE	COUNTRY
	AMADA CAPITAL CORPORATION	BUENA PARK	CA	90621	USA

4. This FINANCING STATEMENT covers the following collateral:

ONE AMADA INSPECTION MACHINE, MODEL FABRIVISION, COMPLETE WITH ALL ATTACHMENTS NOW OWNED OR HEREAFTER ACQUIRED.

THE UNDERSIGNED HEREBY GRANTS THE SECURITY INTEREST IN THE ABOVE REFERENCED EQUIPMENT TO SECURE PAYMENT OF ITS FULL PURCHASE PRICE.

5. ALTERNATIVE DESIGNATION (if applicable):	<input type="checkbox"/> LESSEE/LESSOR	<input type="checkbox"/> CONSIGNEE/CONSIGNOR	<input type="checkbox"/> BAILEE/BAILOR	<input type="checkbox"/> SELLER/BUYER	<input type="checkbox"/> AG. LIEN	<input type="checkbox"/> NON-UCC FILING
6. <input type="checkbox"/> This FINANCING STATEMENT is to be filed (or record) (or recorded) in the REAL ESTATE RECORDS. Attach Addendum	7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) (if applicable)	ADDITIONAL FEE	optional	<input type="checkbox"/> All Debtors	<input type="checkbox"/> Debtor 1	<input type="checkbox"/> Debtor 2

8. OPTIONAL FILER REFERENCE DATA

PRECISION AMERICAN METALS, LLC

2008 JUL 27 PM 4:30

## UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME &amp; PHONE OF CONTACT AT FILER (optional)

ELSIE HORST

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

AMADA CAPITAL CORPORATION  
7025 FIRESTONE BLVD  
BUENA PARK, CA 90621

UCU102/27/08 05:4451:  
20.00 MO  
SOSIL 14:11 11190758 FS

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME

PRECISION AMERICAN METALS, LLC

OR	1b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX	
1c. MAILING ADDRESS	1050 KINGSLAND DRIVE	CITY	STATE	POSTAL CODE	COUNTRY
1d. SEE INSTRUCTIONS	ADD'L INFO RE ORGANIZATION DEBTOR	1e. TYPE OF ORGANIZATION	1f. JURISDICTION OF ORGANIZATION	1g. ORGANIZATIONAL ID #, if any	<input type="checkbox"/> NONE
		LLC	IL	01876643	

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME

OR	2b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX	
2c. MAILING ADDRESS	1050 KINGSLAND DRIVE	CITY	STATE	POSTAL CODE	COUNTRY
2d. SEE INSTRUCTIONS	ADD'L INFO RE ORGANIZATION DEBTOR	2e. TYPE OF ORGANIZATION	2f. JURISDICTION OF ORGANIZATION	2g. ORGANIZATIONAL ID #, if any	<input type="checkbox"/> NONE

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME

OR	3b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX	
3c. MAILING ADDRESS	7025 FIRESTONE BLVD	CITY	STATE	POSTAL CODE	COUNTRY
		BUENA PARK	CA	90621	USA

4. This FINANCING STATEMENT covers the following collateral:

ONE AMADA MANIPULATOR SYSTEM, MODEL MP1225NJ, COMPLETE WITH ALL ATTACHMENTS NOW OWNED OR HEREAFTER ACQUIRED.

THE UNDERSIGNED HEREBY GRANTS THE SECURITY INTEREST IN THE ABOVE REFERENCED EQUIPMENT TO SECURE PAYMENT OF ITS FULL PURCHASE PRICE.

5. ALTERNATIVE DESIGNATION (if applicable):	<input type="checkbox"/> LESSEE/LESSOR	<input type="checkbox"/> CONSIGNEE/CONSIGNOR	<input type="checkbox"/> BAILEE/BAILOR	<input type="checkbox"/> SELLER/BUYER	<input type="checkbox"/> AG. LIEN	<input type="checkbox"/> NON-UCC FILING
6. <input type="checkbox"/> This FINANCING STATEMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS. Attach Addendum	<input type="checkbox"/> (if applicable)	<input type="checkbox"/> Check to REQUEST SEARCH REPORT(S) on Debtor(s) (optional)	<input type="checkbox"/> ADDITIONAL FEE	<input type="checkbox"/> All Debtors	<input type="checkbox"/> Debtor 1	<input type="checkbox"/> Debtor 2

8. OPTIONAL FILER REFERENCE DATA

PRECISION AMERICAN METALS, LLC

STATE OF CALIFORNIA  
UNIFORM COMMERCIAL CODE DIV.

## UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

2006 11 27 PM 4:30

A. NAME &amp; PHONE OF CONTACT AT FILER (optional)

ELsie HORST

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

AMADA CAPITAL CORPORATION  
7025 FIRESTONE BLVD  
BUENA PARK, CA 90621UCU107/27/06:05:4449:  
20.00 80  
SOSIL 14:10 11190723 FS

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME

PRECISION AMERICAN METALS, LLC

OR 1b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

1c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

1050 KINGSLAND DRIVE BATAVIA IL 60510 USA

1d. SEE INSTRUCTIONS ADD'L INFO RE 1e. TYPE OF ORGANIZATION 1f. JURISDICTION OF ORGANIZATION 1g. ORGANIZATIONAL ID #, if any

ORGANIZATION  
DEBTOR LLC

IL

01876643

 NONE

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME

OR 2b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

2c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

2d. SEE INSTRUCTIONS ADD'L INFO RE 2e. TYPE OF ORGANIZATION 2f. JURISDICTION OF ORGANIZATION 2g. ORGANIZATIONAL ID #, if any

ORGANIZATION  
DEBTOR NONE

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME

AMADA CAPITAL CORPORATION

OR 3b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

3c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

7025 FIRESTONE BLVD BUENA PARK CA 90621 USA

4. This FINANCING STATEMENT covers the following collateral:

ONE AMADA TURRET PUNCH PRESS, MODEL EM2510NT, WITH TOOLING PACKAGE, SCRAP CONVEYOR, COMPLETE WITH ALL ATTACHMENTS NOW OWNED OR HERAFTER ACQUIRED.

THE UNDERSIGNED HEREBY GRANTS THE SECURITY INTEREST IN THE ABOVE REFERENCED EQUIPMENT TO SECURE PAYMENT OF ITS FULL PURCHASE PRICE.

5. ALTERNATIVE DESIGNATION (if applicable):  LESSEE/LESSOR  CONSIGNEE/CO-SIGNOR  BAILEE/BAILOR  SELLER/BUYER  AG. LIEN  NON-UCC FILING6.  This FINANCING STATEMENT is to be filed (or record) (or recorded) in the REAL ESTATE RECORDS (if applicable).  Check to REQUEST SEARCH REPORT(S) on Debtor(s) (if applicable).  All Debtors  Debtor 1  Debtor 2 Attach Addendum

8. OPTIONAL FILER REFERENCE DATA

PRECISION AMERICAN METALS, LLC

SECRETARY OF STATE  
UNIFORM COMM. CODE DIV.

## UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

2006 11 27 PM 4:30

A. NAME &amp; PHONE OF CONTACT AT FILER (optional)

ELsie HORST

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

AMADA CAPITAL CORPORATION  
7025 FIRESTONE BLVD  
BUENA PARK, CA 90621

UCC107/27/06:05:4454:

20.00 MD

SOSIL 14:11 11190782 FS

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME		FIRST NAME			MIDDLE NAME		SUFFIX	
OR	1b. INDIVIDUAL'S LAST NAME							

1c. MAILING ADDRESS		CITY		STATE	POSTAL CODE	COUNTRY	
1d. SEE INSTRUCTIONS	ADD'L INFO RE ORGANIZATION DEBTOR	BATAVIA		IL	60510	USA	
1e. TYPE OF ORGANIZATION		1f. JURISDICTION OF ORGANIZATION		1g. ORGANIZATIONAL ID #, if any			
LLC		IL		01876643			<input type="checkbox"/> NONE

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME		FIRST NAME			MIDDLE NAME		SUFFIX	
OR	2b. INDIVIDUAL'S LAST NAME							

2c. MAILING ADDRESS		CITY		STATE	POSTAL CODE	COUNTRY	
2d. SEE INSTRUCTIONS	ADD'L INFO RE ORGANIZATION DEBTOR	2e. TYPE OF ORGANIZATION		2f. JURISDICTION OF ORGANIZATION		2g. ORGANIZATIONAL ID #, if any	
						<input type="checkbox"/> NONE	

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME		FIRST NAME			MIDDLE NAME		SUFFIX	
OR	3b. INDIVIDUAL'S LAST NAME							
3c. MAILING ADDRESS		CITY		STATE	POSTAL CODE	COUNTRY		
7025 FIRESTONE BLVD		BUENA PARK		CA	90621	USA		

4. This FINANCING STATEMENT covers the following collateral:

ONE AMADA ROBOTIC PRESS BRAKE, MODEL HDS1030NTR, WITH TOOLING PACKAGE, COMPLETE WITH ALL ATTACHMENTS NOW OWNED OR HEREAFTER ACQUIRED.

THE UNDERSIGNED HEREBY GRANTS THE SECURITY INTEREST IN THE ABOVE REFERENCED EQUIPMENT TO SECURE PAYMENT OF ITS FULL PURCHASE PRICE.

5. ALTERNATIVE DESIGNATION (if applicable)  LESSEE/LESSOR  CONSIGNEE/CONSIGNOR  BAILEE/BAILOR  SELLER/BUYER  AG. LIEN  NON-UCC FILING6.  This FINANCING STATEMENT is to be filed (or record) in the REAL ESTATE RECORDS. Attach Addendum.  Check to REQUEST SEARCH REPORT(S) on Debtor(s) (if applicable)  ADDITIONAL FEE  All Debtors  Debtor 1  Debtor 2

8. OPTIONAL FILER REFERENCE DATA

PRECISION AMERICAN METALS, LLC

Precision American Metals, LLC  
Payment History

SUMMARY			14744	14546	14738	14550	14742	14740	14741	
Model Type	TOGUNI	ID40ST	APS	FABRIVISION	MP225NJ	EM250NT	HPS100NTR		Total	
Contract No.	CB00003	CB00004	CB00001	CB00002	CB00005	CB00006	CB00007			
Serial No.	99520200	40800298	-	6065523	A1225239	25100720	1300124			
Book Date	8/31/2006	8/31/2006	4/5/2007	4/5/2007	4/5/2007	4/5/2007	4/5/2007			
1st Pmt	10/1/2006	10/1/2006	5/15/2007	5/15/2007	5/15/2007	5/15/2007	5/15/2007			
Amt Finc'd	17,280.00	25,600.00	71,904.00	53,600.00	96,800.00	304,656.00	534,400.00	1,104,240.00		
Term (mths)	60	60	60	60	60	60	60	60		
Mthly Pmt	365.13	540.93	1519.33	1,132.57	2,045.38	6,437.38	11,291.87	23,332.59		
Mthy L/C	18.26	27.05	75.97	56.63	102.27	321.87	564.59	1,166.63		
Interest Rate	9.75%	9.75%	9.75%	9.75%	9.75%	9.75%	9.75%	9.75%		
Int Factor	0.00812500	0.00812500	0.00812500	0.00812500	0.00812500	0.00812500	0.00812500	0.00812500		
Delay	0	0	0	0	0	0	0	0		
Pmts Made	0	0	0	0	0	0	0	0		
Pmts Remain	60	60	60	60	60	60	60	60		
Pmts Delq	6	6	2	2	2	2	2	2		
L/C @ RPR	109.56	162.30	0.00	0.00	0.00	0.00	0.00	271.86		
% Pmt to Tot										

TOGUNI: Tool Grinder			ID40ST: Spotwelder			FABRIVISION			CB00002		
CB00003			CB00004			CB00001			CB00002		
Pmt	Int	Pmt	Pmt	Int	Pmt	Pmt	Int	Pmt	Pmt	Int	
Sep-06											
Pmt	17,280.00	17,280.00	140.40	0.00	25,600.00	25,808.00	208.00	0.00			
Oct-06	17,420.40	17,561.94	141.54	0.00	26,017.69	209.69	0.00				
Nov-06	17,704.63	17,848.43	142.69	0.00	26,229.08	211.39	0.00				
Dec-06	17,993.50	18,139.70	143.85	0.00	26,442.20	213.11	0.00				
Jan-07	18,287.03	18,435.67	145.02	0.00	26,657.04	214.84	0.00				
Feb-07	18,585.46	18,736.46	146.20	0.00	26,873.63	216.59	0.00				
Mar-07	18,888.70	19,042.17	147.39	0.00	27,091.97	218.35	0.00	71,904.00	72,488.22	584.22	
Apr-07	19,196.88	19,352.86	148.58	0.00	27,312.10	220.12	0.00				
May-07	19,402.17	19,547.72	149.79	0.00	27,534.01	221.91	0.00	73,077.19	588.97	0.00	53,600.00
Jun-07	19,688.70	19,736.46	151.01	0.00	27,757.72	223.71	0.00	73,670.94	593.75	0.00	54,474.54
Jul-07	19,888.70	19,942.17	152.23	0.00	27,983.25	225.53	0.00	74,269.52	598.58	0.00	54,917.14
Aug-07	20,042.17	20,196.88	153.47	0.00	28,210.62	227.36	0.00	74,872.96	603.44	0.00	55,363.35
Sep-07	20,204.17	20,352.86	154.72	0.00	28,439.83	229.21	0.00	75,481.30	608.34	0.00	56,266.66
Oct-07	20,368.88	20,515.97	155.97	0.00	28,670.90	231.07	0.00	76,094.58	613.29	0.00	56,723.82
Nov-07											457.17

NOTE: Contracts Repurchased by Amada America, Inc. 3/31/2007

MP1225NJ			EM2510NT			HDS1030NTR		
CB00003			CB00004			CB00003		
Pmt	Int	Pmt	Pmt	Int	Pmt	Pmt	Int	Pmt
Mar-07			304,656.00			534,400.00		
Apr-07	96,800.00		307,131.33	2,475.33	0.00	538,742.00	4,342.00	0.00
May-07	97,586.50	786.50	0.00	309,626.77	2,495.44	0.00	543,119.28	4,377.28
Jun-07	98,379.39	792.89	0.00	312,142.49	2,515.72	0.00	547,532.12	4,412.84
Jul-07	99,178.72	799.33	0.00	314,678.65	2,536.16	0.00	551,980.82	4,448.70
Aug-07	99,984.55	805.83	0.00	317,235.41	2,556.76	0.00	556,465.67	4,484.84
Sep-07	100,796.92	812.37	0.00	319,812.95	2,577.54	0.00	560,986.95	4,521.28
Oct-07	101,615.90	818.98	0.00	322,411.43	2,598.48	0.00	565,544.97	4,558.02
Nov-07	102,441.53	825.63						

SUMMARY TOTAL								
Pmt	Interest	Payment	late/charge	Amount Due	Aggregate L/C	Gross Due	Pmt & L/C	Amount Due
Sep-06	42,880.00			42,880.00				
Oct-06	43,228.40	348.40	0.00	45.30	45.30	43,273.70		
Nov-06	43,579.63	351.23	0.00	45.30	90.60	43,670.23		
Dec-06	43,933.72	354.08	0.00	45.30	135.90	44,069.62		
Jan-07	44,290.68	356.96	0.00	45.30	181.20	44,471.88		
Feb-07	44,650.54	359.86	0.00	45.30	226.50	44,877.04		
Mar-07	45,013.32	362.79	0.00	45.30	271.80	45,285.12		
Apr-07	1,106,739.06	365.73	0.00	45.30	317.10	1,107,056.16		
May-07	1,115,731.31	8,992.25	0.00	1,166.63	1,483.73	1,117,215.04		
Jun-07	1,124,796.63	9,065.32	0.00	1,166.63	2,650.36	1,127,446.99		
Jul-07	1,133,935.60	9,138.97	0.00	1,166.63	3,816.99	1,137,752.59		
Aug-07	1,143,148.83	9,213.23	0.00	1,166.63	4,983.62	1,148,132.45		
Sep-07	1,152,436.91	9,288.08	0.00	1,166.63	6,150.25	1,158,587.16		
Oct-07	1,161,800.46	9,363.55	0.00	1,166.63	7,316.88	1,169,117.34		
Nov-07	1,171,240.09	9,439.63	0.00	1,166.63	8,483.51	1,179,723.60		

MATTHEW P. CONNELLY

CONNELLY ROBERTS &amp; McGIVNEY LLC

July 20, 2007

John Mazurek, President  
Precision American Metals, LLC  
1050 Kingsland Dr.  
Batavia, Illinois 60510

**Re: Amada America, Inc. Agreements in Default:  
Payment Necessary to Avoid Proceedings**

Dear Mr. Mazurek:

Please be advised that I represent Amada America, Inc. with regard to several agreements upon which Precision Metals owes Amada and has yet to make a payment. The agreements are as follows:

- a. Agreement Number 14744, to purchase a ToguIII Tool Grinder from Amada for the purchase price of \$21,600.00. There is a present outstanding amount of \$18,919.06 on this Agreement.
- b. Agreement Number 14546, dated July 20, 2006, to purchase a Spot Welder from Amada for the purchase price of \$32,000.00. There is a present outstanding amount of \$28,028.22 on this Agreement.
- c. Agreement Number 14738, to purchase an APS Software Package from Amada for the purchase price of \$89,880.00. There is a present outstanding amount of \$73,898.85 on this Agreement.
- d. Agreement Number 14550, to purchase a Fabrivision Inspection Machine from Amada for the purchase price of \$64,700.00. There is a present outstanding amount of \$55,087.03 on this Agreement.
- e. Agreement Number 14742, to purchase a Manipulator System from Amada for the purchase price of \$122,000.00. There is a present outstanding amount of \$99,485.53 on this Agreement.
- f. Agreement Number 14740, to purchase a Turret Punch Press, with Tooling Package and Scrap Conveyor, from Amada for the purchase price of \$307,235.00. There is a present outstanding amount of \$313,108.10 on this Agreement.

EXHIBIT

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g. Agreement Number 14741, to purchase a Robotic Press Brake with Tooling Package from Amada for the total purchase price of \$605,000.00. There is a present outstanding amount of \$549,225.89 on this Agreement.

Although you agreed to remit monthly payments beginning on October 1, 2006 for Agreements number 14744 and 14546, and on May 15, 2007 for Agreements number 14738, 14550, 14742, 14740 and 14741, no payment has yet been received on any of these Agreements. As such, Amada has exercised its right under Section B, Paragraph 7(b) of the Agreements and has accelerated all amounts owed by Precision, making the entire amount owed under each agreement due immediately.

Further, please note that Amada reserves its right under Section B, Paragraph 7(c) of the Agreements to take immediate possession of all Property that is the subject of any of the Agreements, namely, the ToguIII Tool Grinder; the Spot Welder, model number ID40ST; the APS software package; the Fabrivision Inspection Machine; the Manipulator System, model number MP1225NJ; the Turret Punch Press with Tooling Package and Scrap Conveyor, model number EM2510NT; and the Robotic Press Brake with Tooling Package, model number HDS1020NTR.

Pursuant to Section A, Paragraph 4 of the Terms and Conditions of each Agreement, a late fee has been and will continue to be assessed against each Agreement at a rate of 5% of the amount due. Furthermore, the interest on each agreement is still accruing at a rate of 9.75% per month. Accordingly, each month you put off repaying the total amount due to Amada, the amount you owe will continue to increase exponentially.

Your original principle amount due was \$1,104,240.00. As of the date of this correspondence, however, the total amount you owe Amada, including any and all late fees and accrued interest, is \$1,137,752.68. If you refuse to remit payment of the entire amount you currently owe to Amada America, Inc. within five days of receipt of this letter, we will have no choice but to bring legal action against you.

Please contact me as soon as possible to discuss payment of the total amount you owe.

Very truly yours,



Matthew P. Connelly

MAT:tre

c.c.: Dave Kehrli

b.c.c.: Timothy Eavenson

AMADA AMERICA, INC., 7025 Firestone Blvd., Buena Park, CA 90621

EQUIPMENT PURCHASE AND SECURITY AGREEMENT  
(SUPPLEMENTAL DOCUMENTS)

BUYER'S NAME

Precision American Metals, LLC

AMADA AMERICA, INC. CUSTOMER NUMBER

27897

## UNCONDITIONAL CONTINUING GUARANTY

FOR VALUABLE CONSIDERATION RECEIVED, and to induce AMADA AMERICA, INC. ("Seller") to enter into an Equipment Purchase and Security Agreement ("Agreement"), other agreements and instruments, and any amendments thereto, with Buyer and perform the obligations thereunder in connection with the sale of certain equipment and other personal property to Buyer on an installation payment basis, the undersigned (whether there be one or more than one, "Guarantors") agrees as follows:

1. Guarantors unconditionally guarantee and promise to pay to Seller, on demand, any indebtedness of Buyer to Seller not paid when due. Where Guarantors include more than one party their liability hereunder shall be joint and several. The word "indebtedness" includes without limitation any advance, debt, obligation or liability of Buyer to Seller, whether heretofore or hereafter made, incurred or created, whether voluntary or involuntary and however arising, whether due or not due, absolute or contingent, liquidated or unliquidated, determined or undetermined, whether recovery upon such indebtedness may be or hereafter become barred by any statute of limitation and whether such indebtedness may be or hereafter become unenforceable. Without limiting the generality of the foregoing, any indebtedness guaranteed hereunder includes all indebtedness of Buyer to Seller arising out of any equipment purchase, installment sale, security or other agreement relating to the purchase of the Property by Buyer, including without limitation late charges, interest at the highest rate permitted by law, reasonable expense of retaking, holding, preparing for sale, and selling the Property, and deficiency balance remaining after any sale or other disposition of the Property by Seller after default by Buyer, and all other reasonable expenses and costs incurred by Seller, including attorney's fees.

2. Guarantors authorize Seller, without notice or demand and without affecting the liability of Guarantors hereunder, from time to (a) renew, compromise, extend or otherwise change the time for payment or change the terms of Buyer's indebtedness to Seller or any part thereof; (b) take and hold security for the payment of this Unconditional Continuing Guaranty or the indebtedness guaranteed hereunder, and exchange, enforce, waive and release any such security; (c) apply such security and direct the order or manner of sale thereof as Seller in its sole discretion may determine; and (d) release or substitute any one or more Guarantors. Seller may with notice assign this Unconditional Continuing Guaranty, in whole or in part, in which case this Unconditional Continuing Guaranty shall in the benefit of Seller's assigns and successors in interest.

3. Guarantors waive any right to require Seller to (a) proceed against Buyer or any other party; (b) proceed against or exhaust the security of Buyer held by Seller or any other party; or (c) pursue any other remedy in Seller's power whatsoever. Guarantors waive to the fullest extent permitted by law any defense arising by reason of any disability or other defense of Buyer, or by reason of the cessation of any cause in whatsoever of the liability of Buyer. Until all indebtedness of Buyer to Seller shall have been paid in full, Guarantors shall have no right of subrogation and waive any right to enforce any remedy which Seller now has or may hereafter have against Buyer, and waive any benefit of, and any right to participate in, any security now or hereafter held by Seller. Guarantors waive all presentments, demands of performance, notices of nonperformance, protests, notices of protest, notices of dishonor, notices of acceptance of, and notices of existence, creation or incurrence of new or additional indebtedness under this Unconditional Continuing Guaranty.

4. Any indebtedness of Buyer now or hereafter held by Guarantors is hereby subordinated to the indebtedness of Buyer to Seller. Such indebtedness of Buyer to Guarantors, if Seller so requests, shall be collected, enforced and received by Guarantors as trustees for Seller and be paid over to Seller on account of the indebtedness of Buyer to Seller without reducing or affecting in any manner the liability of Guarantors under the other provisions of this Unconditional Continuing Guaranty.

5. If any of Guarantors is a corporation or partnership, it represents and warrants that the execution of this Unconditional Continuing Guaranty has been authorized by all necessary corporate or partnership action.

6. Guarantors agree to pay reasonable attorneys' fees and all other costs and expenses which may be incurred by Seller in enforcement of this Unconditional Continuing Guaranty. This Unconditional Continuing Guaranty shall be binding upon the heirs, executors, administrators and assigns of Guarantors. Any amounts due hereunder not paid when due shall accrue interest at the highest rate permitted by law.

7. This Unconditional Continuing Guaranty shall be governed by and construed under the laws of the State of California. Guarantors consent to the non-exclusive jurisdiction of the state and federal courts located in Los Angeles, California and agree that Seller may maintain an action in any such court to collect any amounts payable by Guarantors to Seller hereunder.

IN WITNESS WHEREOF, the undersigned Guarantors have executed this Unconditional Continuing Guaranty.

*X at 1050 Kingsland Dr.*, as of *July 20*, 2006.

## A) INDIVIDUAL GUARANTORS

SIGNATURE *John M. Mazurek*PRINT NAME *John M. MAZUREK*

X HOME ADDRESS

*7N295 WHISPERING TWILIGHT  
ST. CHARLES, IL 60175*SIGNATURE *Carole M. Mazurek*PRINT NAME *Carole F. MAZUREK*

X HOME ADDRESS

*7N295 WHISPERING TWILIGHT  
ST. CHARLES, IL 60175*

## B) PARTNERSHIP GUARANTORS

NAME OF  
PARTNERSHIPGENERAL PARTNER'S  
SIGNATURE

PRINT NAME

## C) CORPORATE GUARANTORS

NAME OF  
CORPORATION

SIGNATURE

PRINT NAME

AND TITLE

ATTACH ADDITIONAL SHEETS IF NECESSARY

CORPORATE AND PARTNERSHIP GUARANTORS MUST COMPLETE THE CERTIFICATE OF RESOLUTION OR THE CERTIFICATE OF AUTHORIZATION, AS APPROPRIATE.

EXHIBIT

tabbed

K

MATTHEW P. CONNELLY

CONNELLY ROBERTS &amp; McGIVNEY LLC

July 20, 2007

John Mazurek, Guarantor  
7N295 Whispering Trail Road  
St. Charles, Illinois 60175

**Re: Amada America, Inc. Agreements in Default:  
Payment Necessary to Avoid Proceedings**

Dear Mr. Mazurek:

Please be advised that I represent Amada America, Inc. with regard to several agreements upon which Precision Metals owes Amada and has yet to make a payment. As Guarantor of these agreements, you are responsible for their repayment. The agreements are as follows:

- a. Agreement Number 14744, to purchase a ToguIII Tool Grinder from Amada for the purchase price of \$21,600.00. There is a present outstanding amount of \$18,919.06 on this Agreement.
- b. Agreement Number 14546, dated July 20, 2006, to purchase a Spot Welder from Amada for the purchase price of \$32,000.00. There is a present outstanding amount of \$28,028.22 on this Agreement.
- c. Agreement Number 14738, to purchase an APS Software Package from Amada for the purchase price of \$89,880.00. There is a present outstanding amount of \$73,898.85 on this Agreement.
- d. Agreement Number 14550, to purchase a Fabrivision Inspection Machine from Amada for the purchase price of \$64,700.00. There is a present outstanding amount of \$55,087.03 on this Agreement.
- e. Agreement Number 14742, to purchase a Manipulator System from Amada for the purchase price of \$122,000.00. There is a present outstanding amount of \$99,485.53 on this Agreement.
- f. Agreement Number 14740, to purchase a Turret Punch Press, with Tooling Package and Scrap Conveyor, from Amada for the purchase price of \$307,235.00. There is a present outstanding amount of \$313,108.10 on this Agreement.
- g. Agreement Number 14741, to purchase a Robotic Press Brake with Tooling Package from Amada for the total purchase price of \$605,000.00. There is a present outstanding amount of \$549,225.89 on this Agreement.

EXHIBIT

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Although Precision agreed to remit monthly payments beginning on October 1, 2006 for Agreements number 14744 and 14546, and on May 15, 2007 for Agreements number 14738, 14550, 14742, 14740 and 14741, no payment has yet been received on any of these Agreements. As such, Amada has exercised its right under Section B, Paragraph 7(b) of the Agreements and has accelerated all amounts owed by Precision, making the entire amount owed under each agreement due immediately.

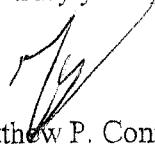
Pursuant to the Unconditional Continuing Guaranty you signed, you individually and personally promised to pay Amada, on demand, any of Precision's indebtedness to Amada not paid when due. Amada hereby demands that you pay the full amount owed to it by Precision immediately.

Please note, pursuant to Section A, Paragraph 4 of the Terms and Conditions of each Agreement, a late fee has been and will continue to be assessed against each Agreement at a rate of 5% of the amount due. Furthermore, the interest on each agreement is still accruing at a rate of 9.75% per month. Accordingly, each month you put off repaying the total amount due to Amada, the amount you owe as Guarantor will continue to increase exponentially.

Precision's original, principle amount due was \$1,104,240.00. As of the date of this correspondence, however, the total amount Precision owes Amada, including any and all late fees and accrued interest, is \$1,137,752.68. If you refuse to remit payment of this entire amount currently owed to Amada America, Inc. within five days of receipt of this letter, we will have no choice but to bring legal action against you.

Please contact me as soon as possible to discuss payment of the total amount you owe.

Very truly yours,



Matthew P. Connelly

MAT:tre

c.c.: Dave Kehrl  
b.c.c.: Timothy Eavenson

MATTHEW P. CONNELLY

CONNELLY ROBERTS &amp; McGIVNEY LLC

July 20, 2007

Pamela Mazurek, Guarantor  
7N295 Whispering Trail Road  
St. Charles, Illinois 60175

**Re: Amada America, Inc. Agreements in Default:  
Payment Necessary to Avoid Proceedings**

Dear Mrs. Mazurek:

Please be advised that I represent Amada America, Inc. with regard to several agreements upon which Precision Metals owes Amada and has yet to make a payment. As Guarantor of these agreements, you are responsible for their repayment. The agreements are as follows:

- a. Agreement Number 14744, to purchase a ToguIII Tool Grinder from Amada for the purchase price of \$21,600.00. There is a present outstanding amount of \$18,919.06 on this Agreement.
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- e. Agreement Number 14742, to purchase a Manipulator System from Amada for the purchase price of \$122,000.00. There is a present outstanding amount of \$99,485.53 on this Agreement.
- f. Agreement Number 14740, to purchase a Turret Punch Press, with Tooling Package and Scrap Conveyor, from Amada for the purchase price of \$307,235.00. There is a present outstanding amount of \$313,108.10 on this Agreement.
- g. Agreement Number 14741, to purchase a Robotic Press Brake with Tooling Package from Amada for the total purchase price of \$605,000.00. There is a present outstanding amount of \$549,225.89 on this Agreement.

EXHIBIT

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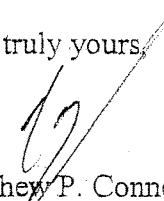
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Please note, pursuant to Section A, Paragraph 4 of the Terms and Conditions of each Agreement, a late fee has been and will continue to be assessed against each Agreement at a rate of 5% of the amount due. Furthermore, the interest on each agreement is still accruing at a rate of 9.75% per month. Accordingly, each month you put off repaying the total amount due to Amada, the amount you owe as Guarantor will continue to increase exponentially.

Precision's original, principle amount due was \$1,104,240.00. As of the date of this correspondence, however, the total amount Precision owes Amada, including any and all late fees and accrued interest, is \$1,137,752.68. If you refuse to remit payment of this entire amount currently owed to Amada America, Inc. within five days of receipt of this letter, we will have no choice but to bring legal action against you.

Please contact me as soon as possible to discuss payment of the total amount you owe.

Very truly yours,

  
Matthew P. Connelly

MAT:tre

c.c.: Dave Kehrli  
b.c.c.: Timothy Eavenson

The civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON THE REVERSE OF THE FORM.)

JUL 24 2007

## (a) PLAINTIFFS

AMADA AMERICA, INC.

(b) County of Residence of First Listed Plaintiff Orange County, California  
(EXCEPT IN U.S. PLAINTIFF CASES)

## DEFENDANTS

PRECISION AMERICAN METALS, LLC, an Illinois corporation,  
JOHN M. MAZUREK and HAMERAS MAZUREK, individuallyMICHAEL L. DUNN, JR.  
670-4177

County of Residence of First Listed Defendant

(IN U.S. PLAINTIFF CASES ONLY)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE  
LAND INVOLVED.

JUDGE MORAN

(c) Attorney's (Firm Name, Address, and Telephone Number)

Matthew Connelly, Connelly Roberts & McGivney, LLC  
55 W. Monroe St., Suite 1700, Chicago, Illinois, 60603  
312/251-9600

Attorneys (If Known)

## II. BASIS OF JURISDICTION (Place an "X" in One Box Only)

<input type="checkbox"/> 1 U.S. Government Plaintiff	<input type="checkbox"/> 3 Federal Question (U.S. Government Not a Party)
<input type="checkbox"/> 2 U.S. Government Defendant	<input checked="" type="checkbox"/> 4 Diversity (Indicate Citizenship of Parties in Item III)

## III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant)

PTF	DEF	PTF	DEF
<input type="checkbox"/> 1 Citizen of This State	<input checked="" type="checkbox"/> 1 Incorporated or Principal Place of Business In This State	<input type="checkbox"/> 4	<input checked="" type="checkbox"/> 4
<input type="checkbox"/> 2 Citizen of Another State	<input type="checkbox"/> 2 Incorporated and Principal Place of Business In Another State	<input checked="" type="checkbox"/> 5	<input type="checkbox"/> 5
<input type="checkbox"/> 3 Citizen or Subject of a Foreign Country	<input type="checkbox"/> 3 Foreign Nation	<input type="checkbox"/> 6	<input type="checkbox"/> 6

## IV. NATURE OF SUIT (Place an "X" in One Box Only)

CONTRACT	TORTS	FORFEITURE/PENALTY	BANKRUPTCY	OTHER STATUTES
<input type="checkbox"/> 110 Insurance	<b>PERSONAL INJURY</b>	<b>PERSONAL INJURY</b>	<input type="checkbox"/> 422 Appeal 28 USC 158	<input type="checkbox"/> 400 State Reapportionment
<input type="checkbox"/> 120 Marine	<input type="checkbox"/> 310 Airplane	<input type="checkbox"/> 362 Personal Injury—Med. Malpractice	<input type="checkbox"/> 423 Withdrawal 28 USC 157	<input type="checkbox"/> 410 Antitrust
<input type="checkbox"/> 130 Miller Act	<input type="checkbox"/> 315 Airplane Product Liability	<input type="checkbox"/> 365 Personal Injury—Product Liability	<b>PROPERTY RIGHTS</b>	<input type="checkbox"/> 430 Banks and Banking
<input type="checkbox"/> 140 Negotiable Instrument	<input type="checkbox"/> 320 Assault, Libel & Slander	<input type="checkbox"/> 368 Asbestos Personal Injury Product Liability	<input type="checkbox"/> 820 Copyrights	<input type="checkbox"/> 450 Commerce/ICC Rates/etc.
<input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment	<input type="checkbox"/> 330 Federal Employers' Liability	<input type="checkbox"/> 370 Other Fraud	<input type="checkbox"/> 830 Patent	<input type="checkbox"/> 460 Deportation
<input type="checkbox"/> 151 Medicare Act	<input type="checkbox"/> 340 Marine	<input type="checkbox"/> 371 Truth in Lending	<input type="checkbox"/> 840 Trademark	<input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations
<input type="checkbox"/> 152 Recovery of Defaulted Student Loans (excl. vet.)	<input type="checkbox"/> 345 Marine Product Liability	<input type="checkbox"/> 380 Other Personal Property Damage		<input type="checkbox"/> 480 Consumer Credit
<input type="checkbox"/> 153 Recovery of Overpayment of Veteran's Benefits	<input type="checkbox"/> 350 Motor Vehicle	<input type="checkbox"/> 385 Property Damage		<input type="checkbox"/> 490 Cable/Satellite TV
<input type="checkbox"/> 160 Stockholders' Suits	<input type="checkbox"/> 355 Motor Vehicle Product Liability	<input type="checkbox"/> 390 Other Product Liability		<input type="checkbox"/> 810 Selective Service
<input type="checkbox"/> 190 Other Contract	<input type="checkbox"/> 360 Other Personal Inj.			<input type="checkbox"/> 850 Security/Commodity/Exch.
<input type="checkbox"/> 195 Contract Product Liability				<input type="checkbox"/> 875 Customer Challenge 12 USC 3410
<input type="checkbox"/> 196 Franchise				<input type="checkbox"/> 891 Agricultural Acts
<b>REAL PROPERTY</b>				
<input type="checkbox"/> 210 Land Condemnation	<b>CIVIL RIGHTS</b>	<b>PRISONER PETITIONS</b>	<b>SOCIAL SECURITY</b>	<input type="checkbox"/> 892 Economic Stabilization Act
<input type="checkbox"/> 220 Foreclosure	<input type="checkbox"/> 441 Voting	<input type="checkbox"/> 510 Motions to Vacate Sentence	<input type="checkbox"/> 861 HIA (1395ff)	<input type="checkbox"/> 893 Environmental Matters
<input type="checkbox"/> 230 Rent Lease & Ejectment	<input type="checkbox"/> 442 Employment	<input type="checkbox"/> 520 Habeas Corpus: Accommodations	<input type="checkbox"/> 862 Black Lung (923)	<input type="checkbox"/> 894 Energy Allocation Act
<input type="checkbox"/> 240 Torts to Land	<input type="checkbox"/> 443 Housing/ Accommodations	<input type="checkbox"/> 530 General	<input type="checkbox"/> 863 DIWC/DIWW (405(g))	<input type="checkbox"/> 895 Freedom of Information Act
<input type="checkbox"/> 245 Tort Product Liability	<input type="checkbox"/> 444 Welfare	<input type="checkbox"/> 535 Death Penalty	<input type="checkbox"/> 864 SSID Title XVI	<input type="checkbox"/> 900 Appeal of Fee
<input type="checkbox"/> 290 All Other Real Property	<input type="checkbox"/> 445 ADA—Employment	<input type="checkbox"/> 540 Mandamus & Other	<input type="checkbox"/> 865 RSI (405(g))	<input type="checkbox"/> Determination Under Equal Access to Justice
	<input type="checkbox"/> 446 ADA — Other	<input type="checkbox"/> 550 Civil Rights	<b>FEDERAL TAX SUITS</b>	<input type="checkbox"/> 950 Constitutionality of State Statutes
	<input type="checkbox"/> 440 Other Civil Rights	<input type="checkbox"/> 555 Prison Condition	<input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant)	<input type="checkbox"/> 890 Other Statutory Actions
			<input type="checkbox"/> 871 IRS—Third Party 26 USC 7609	

## V. ORIGIN (PLACE AN "X" IN ONE BOX ONLY)

<input type="checkbox"/> 1 Original Proceeding	<input type="checkbox"/> 2 Removed from State Court	<input type="checkbox"/> 3 Remanded from Appellate Court
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<input type="checkbox"/> 4 Reinstated or Reopened
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Transferred from another district (specify)

<input type="checkbox"/> 5	Multidistrict Litigation
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Appeal to District Judge from Magistrate Judgment

## VI. CAUSE OF ACTION (Enter U.S. Civil Statute under which you are filing and write a brief statement of cause.)

Breach of contract action based on Defendants' failure to pay for goods delivered and accepted.

## VII. PREVIOUS BANKRUPTCY MATTERS (For nature of suit 422 and 423, enter the case number and judge for any associated bankruptcy matter perversely adjudicated by a judge of this Court. Use a separate attachment if necessary)

## VIII. REQUESTED IN COMPLAINT:

 CHECK IF THIS IS A CLASS ACTION  
UNDER F.R.C.P. 23

DEMAND \$

CHECK YES only if demanded in complaint:  
JURY DEMAND:  Yes  No

## IX. This case

 is not a refiling of a previously dismissed action. is a refiling of case number \_\_\_\_\_, previously dismissed by Judge \_\_\_\_\_

DATE

SIGNATURE OF ATTORNEY OF RECORD

M/L

### Settlement Agreement and Release

This Settlement Agreement and Release (the "Settlement Agreement") is made and entered into as of the 5<sup>th</sup> day of December, 2007 (the "Effective Date"), by and between Amada America, Inc., a California Corporation ("Amada"), Precision American Metals, LLC, an Illinois limited liability Corporation ("Precision") and John M. Mazurek and Pamela F. Mazurek, individually (the "Mazurek's"). Collectively, Precision and the Mazurek's are referred to as the "Defendants". Amada, Precision and the Mazurek's are jointly referred to as the "Parties".

#### Parties and Recitals:

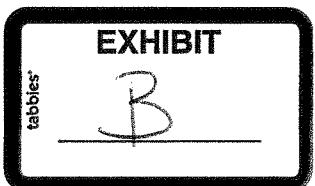
1. Amada is a corporation specializing in the manufacture and sale of machine tools to the fabrication industry, with its headquarters and principle place of business at 7025 Firestone Blvd. in the city of Buena Park, California.

2. Precision is an Illinois limited liability corporation, with its headquarters and principle place of business at 1050 Kingsland Dr., in the village of Batavia, Kane County, Illinois.

3. The Mazurek's are residents of the village of St. Charles, Kane County, Illinois and are principals of Precision.

4. In July of 2006, Precision executed seven separate Equipment Purchase and Security Agreements (the "Purchase Agreements"), for the purpose of procuring a number of specialized machines from Amada. The Purchase Agreements were numbered as follows:

- a. Agreement Number 14744, to purchase a Tool Grinder from Amada for the total cash purchase price of \$21,600.00;
- b. Agreement Number 14546, to purchase a Spot Welder from Amada for the total cash purchase price of \$32,000.00;
- c. Agreement Number 14738, to purchase a Software Package from Amada for the total cash purchase price of \$89,880.00;
- d. Agreement Number 14550, to purchase an Inspection Machine from Amada for the total cash purchase price of \$66,500.00;
- e. Agreement Number 14742, to purchase a Manipulator System from Amada for the total cash purchase price of \$121,000.00;
- f. Agreement Number 14740, to purchase a Turret Punch Press, with Tooling Package and Scrap Conveyor, from Amada for the total cash purchase price of \$380,820.00;



g. Agreement Number 14741, to purchase a Robotic Press Brake with Tooling Package from Amada for the total cash purchase price of \$668,000.00.

5. The total value of the Purchase Agreements, less cash down payments and plus interest accrued thereon, is \$1,399,955.20.

6. The Mazurek's individually executed a document entitled "Unconditional Continuing Guaranty". That Guaranty provides, in pertinent part, that the Mazurek's individually guaranty and promise to pay to Amada, on demand, any indebtedness of Precision.

7. None of the Purchase Agreements have been paid by Precision, or the Mazurek's. Amada has performed its obligations, in their entirety, under the terms of the Purchase Agreements.

8. As a result of Precision and the Mazurek's failure to tender payment under the Purchase Agreements, a dispute has arisen between Amada, Precision and the Mazurek's. Amada initiated a suit in the United States District Court for the Northern District of Illinois, Eastern Division, captioned *Amada America, Inc., v. Precision American Metals, LLC and John M. Mazurek and Pamela F. Mazurek*, Case no. 07 C 4177 (the "Lawsuit"). The Lawsuit seeks damages for the Defendants' failure to tender payment under the Purchase Agreements, as well prejudgment interest, costs and attorneys' fees. The claims of Amada in the Lawsuit are more fully detailed and defined within its Complaint, which is attached as Exhibit A. The Purchase Agreements and the Mazureks' executed "Unconditional Continuing Guaranty" documents are also attached as exhibits to the Complaint.

#### **Settlement Agreement:**

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

9. Amada agrees to accept the sum of \$1,469,952.96 (the "Settlement Payment") in full satisfaction of all amounts which Amada claims to be owed to it by Defendants for the goods sold to them as alleged in the Lawsuit. This amount includes the current value of the Purchase Agreements plus prejudgment interest at the rate of 5%. Defendants shall be jointly and severally liable for the full satisfaction of the Settlement Payment.

10. The Settlement Payment shall be payable as follows:

a. On November 28, 2007 Defendants tendered to Amada payment in the amount of \$39,820.34 (the "First Installment"). Amada acknowledges receipt of the First Installment;

b. The remaining amount due under this Settlement Agreement, or \$1,430,132.62 shall be paid in monthly installments of \$23,835.54 (the "Monthly Installments"), due on the 15<sup>th</sup> of each month and beginning on December 15, 2007. The Monthly Installments shall continue until the Settlement Payment is satisfied in full.

11. Upon receipt of the first Monthly Installment, Amada shall dismiss Defendants, with prejudice and without costs, from the Lawsuit.

**Remedies:**

12. If, for any reason, Defendants fail to make any payment enumerated in this Settlement Agreement within 7 (Seven) days of when such payment(s) become due (the "Event of Default"), Amada may initiate a proceeding against Defendants under this Settlement Agreement, under its common law or statutory rights, or both. Or, in the alternative, and at the sole discretion of Amada, in the Event of Default, Defendants consent to the entry of a Confession of Judgment Order, without notice, the form and content of such Confession of Judgment Order shall be consistent with the Confession of Judgment Order that is attached as Exhibit B. Such Confession of Judgment Order shall be filed in the United States District Court for the Northern District of Illinois, Eastern Division and shall be enforceable against Defendants jointly and severally. The Parties consent to the jurisdiction of the United States District Court for the Northern District of Illinois, Eastern Division, for the purposes of the enforcement of this Settlement Agreement and for the entry of the Confession of Judgment Order.

13. For purposes of the Confession of Judgment Order, Defendants appoint the law firm of Connally Roberts & McGivney LLC, or its designee, as attorneys in fact for Defendants to enter the Confession of Judgment Order and for the preparation of any motion required for the entry of such Order. For purposes of this Agreement, Defendants waive any conflict which may arise with Connally Roberts & McGivney LLC with respect to the entry of the Confession of Judgment Order, in addition to waiving any appeal rights which may arise resulting from the entry of the Confession of Judgment Order. Defendants also waive and forego any affirmative defenses, bars to enforcement, claims of estoppel, or any other matter which could act as a defense to the proceeding relating to the entry of the Confession of Judgment Order and/or any matters relating to the enforcement of any such Confession of Judgment Order, or supplemental proceedings thereon.

14. Upon an Event of Default, Defendants shall be liable to Amada for the Settlement Payment, in full, plus attorneys' fees and costs, less any amounts paid by Defendants pursuant to this Settlement Agreement. At the time of the entry of the Confession of Judgment Order, Connally Roberts & McGivney LLC shall provide the Court with an affidavit stating the amounts previously paid by Defendants pursuant to this Agreement and the attorneys' fees incurred by Amada.

**Release:**

15. In consideration of the Settlement Payment, the Parties hereby absolutely, irrevocably and unconditionally forever release and discharge each other and, where applicable, their parents, subsidiaries, affiliates and partners from and against any and all claims, liabilities, actions, causes of action, demands, judgments or damages of any and all kind or nature, whatsoever, that the Parties have or may have in the future, whether known or unknown, suspected or unsuspected, at law, in equity, or otherwise, against each other that have, or may, arise out of the Purchase Agreements, or are currently detailed in the Lawsuit. Notwithstanding anything contained in this Settlement Agreement to the contrary, this Settlement Agreement shall in no way affect the rights of Amada stated herein, nor shall it affect the rights of Amada to enforce the terms of this Settlement Agreement, also stated herein.

16. The Parties make the following representations and warranties to the other Parties hereto:

- a. *Authority to execute Settlement Agreement:* It is duly and validly organized and existing and in good standing under the laws of the state of its Organization and has full power and authority to execute, deliver and perform this Settlement Agreement and the documents and instruments to be executed and delivered by it pursuant to this Settlement Agreement. The execution, delivery and performance of this Settlement Agreement by it and each document and instrument to be executed and delivered by it pursuant to this Settlement Agreement have been duly authorized by all required action of the partners, shareholders and directors thereof and other persons whose consent may be required;
- b. *No Duress:* The Parties have executed and delivered, or shall execute and deliver, this Settlement Agreement and the other documents and instruments to be executed pursuant hereto, freely and voluntarily, with full knowledge and with the advice of independent legal counsel and without duress;
- c. *Signatory:* The person(s) executing this Settlement Agreement, whether individually, or on behalf of any Party enumerated herein, including each documents and instrument to be executed and delivered by such person, has the authority to do so on behalf of such party;
- d. *Independent Investigation:* The Parties have made such investigation of the facts pertaining to this Settlement Agreement, and to all of the matters pertaining thereto, as they deem necessary;
- e. *No Transfers:* The Parties have not conveyed, pledged, assigned or

otherwise transferred any claim which they might have against any other Party hereto.

17. There are no other agreements or representations, either oral or written, express or implied, relating to the subject matter hereof, that are not embodied in this Settlement Agreement. This Settlement Agreement represents a complete integration of all prior and contemporaneous agreements and understandings of the Parties relating to such subject matter, and that any such agreements, to the extent that they may exist, are hereby superseded by this Settlement Agreement. This Settlement Agreement and any other document referenced herein shall be interpreted in accordance with their fair meanings and shall not be more or less favorably construed with respect to any of the Parties.

18. This Settlement Agreement shall be binding upon the Parties and their respective successors and assigns and shall inure to the benefit of the Parties, and their respective successors and assigns. No other person or entity shall be, or is intended to be, a beneficiary under this Settlement Agreement.

19. This Settlement Agreement may be executed in counterparts and all of said counterparts, taken together, will be deemed to constitute one and the same instrument.

20. Any dispute which may arise under this Settlement Agreement shall be governed by the laws of the State of Illinois.

Executed as of the Effective Date.

By: Amada America, Inc.

Name: D. Kehrli, c.c.o.

Title: D. Kehrli  
Chief Compliance Officer

By: Precision American Metals, LLC

Name: John M. Mazurek

Title: President

By: John M. Mazurek, individually

Name: John M. Mazurek

By: Pamela F. Mazurek, individually

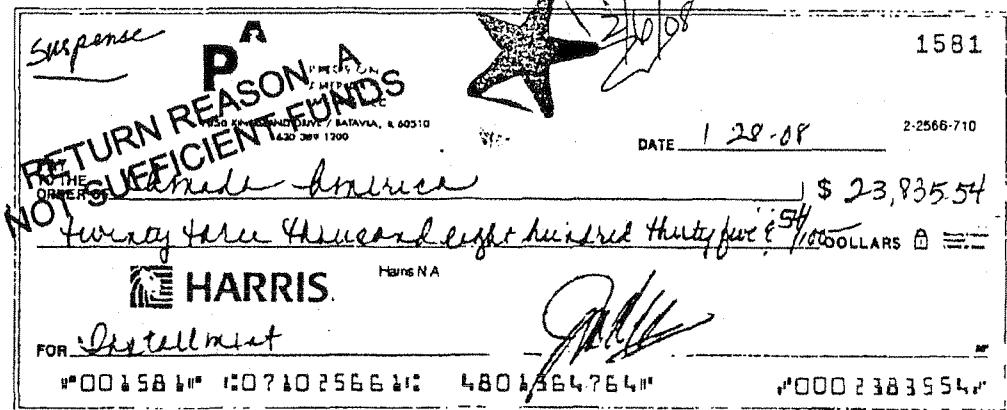
Name: Pamela F. Mazurek

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This is a LEGAL COPY of  
your check. You can use it  
the same way you would  
use the original check.

RETURN REASON-A  
NOT SUFFICIENT  
FUNDS

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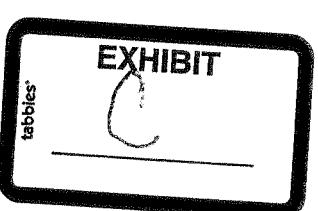


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**IN THE UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION**

AMADA AMERICA, INC., a California corporation, )  
Plaintiff, )  
v. ) No. 07 C 4177  
PRECISION AMERICAN METALS, LLC., )  
An Illinois Limited Liability Corporation, and )  
JOHN M. MAZUREK and PAMELA F. )  
MAZUREK, individually, )  
Defendants. )

**COMPLAINT**

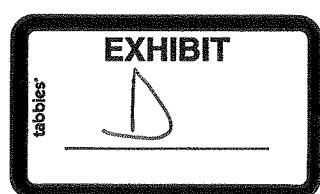
Plaintiff, Amada America, Inc. (“Amada”), by its attorneys, Connelly Roberts & McGivney LLC, for its Complaint against Defendants, Precision American Metals, LLC., an Illinois Corporation (“Precision”), John M. Mazurek, an individual, and Pamela F. Mazurek, an individual (collectively “the Parties”), states as follows:

### **Jurisdiction**

1. Amada is a corporation with its headquarters and principle place of business in the State of California. Precision is a limited liability corporation with its headquarters and principle place of business in the State of Illinois. Upon information and belief, John and Pamela Mazurek are residents of the State of Illinois.

2. The amount in controversy, exclusive of interest and costs, is in excess of the sum specified by 28 U.S.C. §1332.

3. Defendants have waived any objection to this Court's jurisdiction over this matter. Further, Defendants consented to the jurisdiction of this Court for the purpose of



enforcing a Settlement and Release Agreement between the Parties and for the entry of a Confession of Judgment Order as outlined in the following facts.

**Parties**

4. Amada is a corporation specializing in the manufacture and sale of machine tools to the fabrication industry, with its headquarters and principle place of business at 7025 Firestone Blvd., Buena Park, California.

5. Precision is an Illinois limited liability corporation, with its headquarters and principle place of business at 1050 Kingsland Drive, Batavia, Kane County, Illinois.

6. John M. Mazurek and Pamela F. Mazurek are residents of the village of St. Charles, Kane County, Illinois.

**Facts**

7. In July of 2006, John M. Mazurek, as President of Precision, executed seven separate Equipment Purchase and Security Agreements ("the Agreements"), for the purpose of procuring a number of specialized machines from Amada.

8. The Agreements were individually and personally guaranteed by John M. Mazurek and Pamela F. Mazurek.

9. Defendants subsequently breached the terms of the Agreements by failing to tender payment for the purchased items.

10. On July 24, 2007, Amada filed a Complaint alleging breach of contract against Precision and the Mazureks, individually, for their failure to tender payment under the terms of the Agreements. (A copy of Amada's Complaint is attached as Exhibit "A").

11. On December 5, 2007, Defendants and Amada entered into a Settlement and Release Agreement. This Settlement and Release Agreement was signed by Precision and the Mazureks individually. (A copy of the Settlement and Release Agreement is attached hereto as Exhibit "B").

12. In the Settlement and Release Agreement, Amada agreed to accept the payment of \$1,469,952.96 to satisfy the debt owed by Defendants. Defendants agreed that they were jointly and severally liable for the full satisfaction of the Settlement and Release Agreement. (¶ 9, Ex. B).

13. Paragraph 10 of the Settlement and Release Agreement established the following payment structure:

"The Settlement Payment shall be payable as follows:

- a. On November 28, 2007 Defendants tendered to Amada payment in the amount of \$39,820.34 (the "First Installment"). Amada acknowledges receipt of the First Installment;
- b. The remaining amount due under this Settlement Agreement, or \$1,430,132.62 shall be paid in monthly installments of \$23,835.54 (the "Monthly Installments"), due on the 15<sup>th</sup> of each month and beginning on December 15, 2007. The Monthly Installments shall continue until the Settlement Payment is satisfied in full." (¶ 10, Ex. B)

14. Defendants issued a check for the December 2007 installment on December 17, 2007, in the amount of \$23,836.54, which was accepted and cashed by Amada.

15. The Amada Complaint was dismissed with prejudice on January 8, 2008 in accordance with the terms of the Settlement and Release Agreement.

16. Defendants issued a check for the January 2008 installment on January 28, 2008. Upon deposit of the check, Amada was informed that there was insufficient

funding for the January installment check. (A copy of the insufficient January 28, 2008 check is attached as Exhibit "C").

17. Defendants did not tender payment for the February 2008 monthly installment.

18. Paragraph 12 of the Settlement and Release Agreement states:

"[I]f, for any reason, Defendants fail to make any payment enumerated in this Settlement Agreement within 7 (Seven) days of when such payment(s) become due (the "Event of Default"), Amada may initiate a proceeding against Defendants under this Settlement Agreement, under its common law or statutory rights, or both."

(¶ 12, Ex. B).

19. In paragraph 12 of the Settlement and Release Agreement, Defendants consented to the entry of a Confession of Judgment Order similar to the Order attached to the Settlement and Release Agreement as Exhibit B. (see Ex. B to Ex. B hereto).

20. Simultaneously with this Complaint, Amada has filed a Motion to Enter the Confession of Judgment Order. (A copy of said Motion is attached hereto as Exhibit "D").

21. Paragraph 13 of the Settlement Agreement states:

"For purposes of the Confession of Judgment Order, Defendants appoint the law firm of Connelly Roberts & McGivney LLC, or its designee, as attorneys in fact for Defendants to enter the Confession of Judgment Order and for the preparation of any motion required for the entry of such Order. For purposes of this Agreement, Defendants waive any conflict which may arise with Connelly Roberts & McGivney LLC with respect to the entry of the Confession of Judgment Order, in addition to waiving any appeal rights which may arise resulting from the entry of the Confession of Judgment Order. Defendants also waive and forego any affirmative defenses, bars to enforcement, claims of estoppel, or any other matter which could act as a defense to the proceeding relating to the entry of the Confession of Judgment Order and/or any matters relating to the enforcement of any such Confession of Judgment Order, or supplemental proceedings thereon."

(¶ 13, Ex. B).

22. Defendants are liable to Amada for the full Settlement Payment as well as attorney's fees and costs pursuant to paragraph 14 of the Settlement Agreement, which states:

"Upon an Event of Default, Defendants shall be liable to Amada for the Settlement Payment, in full, plus attorneys' fees and costs, less any amounts paid by Defendants pursuant to this Settlement Agreement. At the time of the entry of the Confession of Judgment Order, Connelly Roberts & McGivney LLC shall provide the Court with an affidavit stating the amounts previously paid by Defendants pursuant to this Agreement and the attorneys' fees incurred by Amada."

(¶ 14, Ex. B).

23. Attached to Amada's Motion to Enter the Confession of Judgment Order is the Affidavit of Cory D. Anderson (the "Affidavit"), an attorney with Connelly Roberts & McGivney LLC, which states the amounts paid to Amada by Defendants, Defendants' outstanding Settlement balance and the attorney's fees and costs incurred by Amada to enforce the Settlement Agreement. (see Ex. A to Ex. D hereto).

24. Amada has performed all of its obligations under the Settlement and Release Agreement by dismissing its suit against Defendants.

25. Defendants breached their obligations pursuant to the Settlement and Release Agreement, and are in default of the same, by:

- a) Issuing an insufficient check for the January 2008 installment payment, and,
- b) Failing to tender payment for the February 2008 installment.

26. Defendants owe Amada \$1,406,296.08 under the terms of the Settlement and Release Agreement. (see Ex. A to Ex. D hereto). Moreover, Amada, per the terms of the Settlement and Release Agreement, is entitled to be reimbursed by Defendants for

their fees and costs associated with the enforcement of the Settlement and Release Agreement, totaling \$7,150.00. (see Ex. A to Ex. D hereto).

WHEREFORE, Plaintiff, Amada America, Inc., respectfully requests that this Court:

- 1) Enter judgment for Amada America, Inc. and against Precision American Metals, LLC, John M. Mazurek and Pamela F. Mazurek, jointly and severally, in the amount of \$1,413,446.08;
- 2) Or, in the alternative, for any other relief that this Court deems just.

Respectfully Submitted,

Amada America, Inc.,

By:/s/Cory D. Anderson

One of its Attorneys

Matthew P. Connelly  
Cory D. Anderson  
Connelly Roberts & McGivney LLC  
55 W. Monroe St., Suite 1700  
Chicago, Illinois 60603  
(312)251-9600

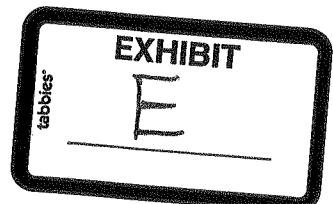
IN THE UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION

AMADA AMERICA, INC., a California )  
corporation, )  
Plaintiff, )  
v. )  
PRECISION AMERICAN METALS, LLC., )  
An Illinois Limited Liability Corporation, and )  
JOHN M. MAZUREK and PAMELA F. )  
MAZUREK, individually, )  
Defendants. )

**AFFIDAVIT OF CORY D. ANDERSON**

I, Cory D. Anderson, state:

- 1) I am an attorney with the law firm of Connolly Roberts & McGivney LLC (“CRM”). I have personal knowledge of the matters recited in this Affidavit and, if called as a witness, I could competently testify thereto.
- 2) I, along with CRM law clerks, paralegals and Matthew P. Connolly (“Connolly”), also an attorney with CRM, have represented Amada America, Inc. (“Amada”) throughout the course of this litigation.
- 3) I am personally familiar with the billing methods and practices of CRM. My hourly billing rate for this matter is \$240.00. Connolly’s hourly billing rate for this matter is \$350.00. CRM’s hourly billing rate for other CRM personnel working on this matter is \$140.00.
- 4) CRM began billing Amada for the research, preparation and presentation of Amada’s Complaint for Defendants’ breach of the Settlement

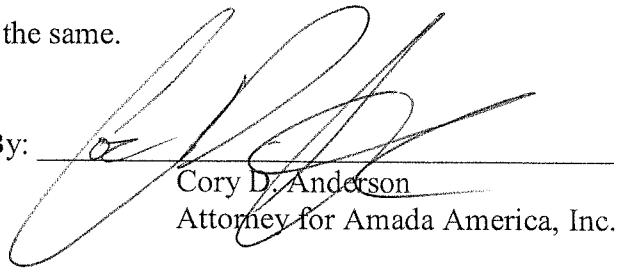


Agreement, Amada's Motion to Enter the Confession of Judgment Order, and the exhibits necessary for the same on February 12, 2008 (collectively the "Confession of Judgment Documents"). CRM concluded billing on the Confession of Judgment Documents on March 12, 2008.

- 5) Between February 12, 2008 and March 12, 2008, CRM attorneys and law clerks billed a combined total of 31.3 hours towards the completion of the Confession of Judgment Documents. Invoices reflecting the specific dates and time allotments billed for such tasks can be tendered to the Court upon request.
- 6) The total fees billed to Amada as a result of the 31.3 hours dedicated to the Confession of Judgment Documents by CRM, were \$7,150.00. The fees generated by CRM personnel are reasonable and customary and were necessary for the preparation and presentation of the Confession of Judgment Documents. Amada is currently responsible for the \$7,150.00.
- 7) Amada agreed, by way of the Settlement Agreement with Defendants', to accept the payment of \$1,469,952.96 (the "Settlement Payment") in satisfaction of the debt owed by Defendants. Defendants agreed to be jointly and severally liable for the Settlement Payment.
- 8) Amada has received total payments of \$63,656.88 from Defendants.
- 9) The remaining Settlement Payment owed to Amada by Defendants, jointly and severally, is \$1,406,296.08.
- 10) The total amount owed to Amada by Defendants, jointly and severally, under the terms of the Settlement Agreement, is \$1,413,446.08. This

amount constitutes the remaining amount owed to Amada by Defendants, jointly and severally, under the terms of the Settlement Agreement, as well as the fees generated by CRM for the preparation of the Confession of Judgment Documents, for which Amada is now responsible.

- 11) All of the statements made in the Confession of Judgment Documents, as well as the exhibits thereto, are true and correct and this Affidavit is submitted in support of the same.

By: 

Cory D. Anderson  
Attorney for Amada America, Inc.

Sworn to and subscribed before me this  
24<sup>th</sup> day of March, 2008

  
Notary Public

